

# AGRICULTURAL OUTLOOK

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## November 1977/AO-27

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## Large Farm Output Overrides Rising Demand; Farm Prices and Income Weak

With little pressure from the farm side and with moderating prices of imported foods, especially coffee, consumers can expect stable or moderately rising retail food prices through mid-1978. Further expected rises in marketing and distribution costs will have the primary impact on food prices.

A strike early in October of bulk grain exporting facilities at New Orleans, which accounts for about 60 percent of U.S. grain exports, brought grain exports there to a standstill in the normally heavy exporting period. However, the strike was again narrowed to containerized cargo and grain was again moving by mid-October, but it left a large backup of barges waiting to be unloaded. The resulting delay in returning barges back upstream is adding to the storage problem for grains and soybeans in the Midwest.

Grain and soybean prices have been bouncing in recent weeks depending on such developments as wet weather delaying harvest, the dock strike backing up grain in marketing channels, and trade reports on foreign purchases. Wheat prices have risen seasonally around 30 cents from their harvest-time lows last August to about \$2.60 a bushel (hard winter at Kansas City) by late October. Further seasonal strength may come from increased export prospects and persistent holding by producers as there has been a record pace of loan participation. Some seasonal strength in corn and soybean prices is also likely in the 1977/78 marketing year as we move past harvest.

The graph displays two data series: Crop production (dotted line) and Livestock production (solid line). The Y-axis represents the index value, with major ticks at 90, 100, 110, 120, 130, and 140. The X-axis shows years from 1970 to 1978. Crop production starts at 100 in 1970, rises to a peak of approximately 118 in 1973, drops to about 108 in 1974, and then generally increases to about 127 by 1978. Livestock production starts at approximately 104 in 1970, peaks at about 107 in 1972, drops to about 100 in 1975, and then rises to about 107 by 1978.

Year	Crop production (Index)	Livestock production (Index)
1970	100	104
1971	111	107
1972	112	107
1973	118	104
1974	108	105
1975	120	100
1976	121	105
1977	127	107



However, most crop prices are well under a year ago and, with supplies in excess of demand causing a sharp buildup in stocks, crop prices will probably continue under downward pressure throughout 1977/78. Corn and wheat prices are likely to average close to loan levels in 1977/78. In some areas market prices have been running below loan rates this fall due to heavy grain supplies and tight storage conditions. Cotton prices in late October were down a third from a year ago as larger prospective supplies face a lagging domestic market.

Farmers are making and will continue to make increased use of the loan program for this year's crops. By the end of September, about 400 million bushels of 1977 crop wheat had been placed under loan, up nearly tenfold from a year ago. Corn put under loan totaled 31 million bushels, compared with only 2 million a year ago.

### Stocks Mounting

Grain stocks reported on October 1 were up substantially from last October. Wheat stocks, at their seasonal high, totaled a record 2.4 billion bushels, 10 percent above last October 1. On-farm stocks totaled around 1.0 billion bushels, up 25 percent. Corn stocks, at their seasonal low, totaled almost 0.9 billion bushels, more than double year-earlier holdings.

Grain stocks are expected to continue building during the 1977/78 marketing year reaching around 80 million metric tons by the end of the year. Carryout holdings would then be around a fourth above year-earlier levels, and more than double the levels at the end of 1975/76. Soybean and cotton stocks will also be rising during 1977/78.

### U.S. GRAIN AND SOYBEAN STOCKS

Commodity	October 1		
	1975	1976	1977
	Mil. bu.		
Corn .....	359	398	879
Sorghum .....	35	52	91
Oats .....	627	541	685
Barley .....	344	363	391
Wheat .....	1,883	2,186	2,397
	September 1		
Soybeans .....	185	245	103

### With Cheaper Feed, Livestock Producers Expanding Output

Improved livestock and livestock product-feed price relationships caused mainly by declining grain and protein meal prices are encouraging livestock and poultry producers to take further steps to expand output. Producers are stepping up cattle placements in feedlots, having more sows farrow, increasing broiler chick placements, expanding layer numbers, and feeding more grain and concentrates to dairy cows.

After expanding around 2 percent in the first half of 1977, combined output of livestock and products is below a year ago in the second half. With large corn crops and lower prices farmers may feed more corn to livestock.

Among individual livestock sectors, pork production was up sharply in the first half, but the severe winter and disease problems are cutting second half output from producer's earlier intentions. However, production gains are likely to accelerate next year and 1978 pork output could be up 10-12 percent.

Cattle placed on feed were up this summer, and placements should remain large into 1978. Although fed beef production will be up, slaughter of nonfed cattle should keep total beef production under a year ago throughout 1978. Broiler chick placements indicate 3 to 5 percent larger marketings this fall, and continued expansion is likely in 1978—perhaps running around 5 percent above 1977 output. Production of milk and eggs is also expected to total above a year ago through mid-1978—eggs by about 2 percent and milk by around 3 percent.

Livestock prices in the fourth quarter are likely to average some 8 percent above year-earlier's low level, but prices will be coming under downward pressure as larger supplies of livestock and products develop. Prices of hogs, broilers, and eggs should be trailing off in coming months. Beef cattle prices may average near \$40 through the winter before rising seasonally next spring with further price rises expected in late 1978. Milk prices may average about 6 percent above a year ago in January-June 1978 because of higher price support levels. With increasing milk output, more milk has been moving into manufactured dairy products. As a result, USDA purchases of dairy products under the price support program have increased substantially and government-held stocks have been building.

### Domestic Use of Grains and Meal Rising

With expanding output of most livestock and products likely in 1978, use of grains and soybean meal for feeding are up materially. Total feed use of wheat and feed grains in 1977/78 may rise around 9 percent from 1976/77. Wheat feeding in June-September was around 150 million bushels, the heaviest for that period since 1972/73. Although wheat feeding may about double this year, it still would account for only about 5 percent of total grains fed. Domestic use of soybean meal is also expected to be materially up in 1977/78—perhaps by around 8 percent.

### Export Movement Tones Up; Still Below 1976/77

U.S. grain export prospects have firmed in recent weeks as the result of an upward revision in the USSR's import requirements and concern over the quality of grain harvested in Canada. USSR and Europe because of recent wet weather. The estimated 1977 USSR grain harvest has been lowered by 5 million metric tons to 215 million tons, compared with 224 million last year. At the same time, Soviet grain consumption estimates have been upped by 5 million tons.

The United States has authorized the USSR to buy up to 15 million metric tons of grain from the United States in 1977/78 without further consultation under terms of the U.S.-USSR 5-year agreement.

Despite the USSR changes, world grain production is still expected to be large—exceeding consumption and causing a further buildup in world grain stocks, especially coarse grains. Total 1977/78 output of wheat, coarse grains and rough rice may hit 1,436 million tons, slightly below last year. World carryover grain stocks at the end of 1977/78 are expected to build to around 200 million tons, up almost half from 2 years ago. The stock buildup this year is again primarily in the United States with foreign grain stocks down.

Exports in fiscal 1978 may be down around 5 to 10 percent from \$24 billion last year. Export volume may be about the same, but export prices for grains, soybeans, and oilseed products are expected to average below 1976/77 levels.

## Farm Income and Prices Received Lower

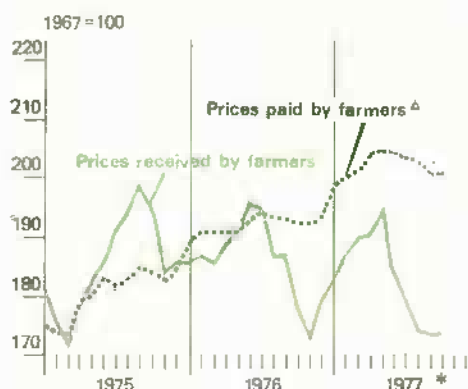
The large crop output this year has sharply reduced crop prices received by farmers. Crop prices dropped by a fifth since their May peak this year, and in the second half of 1977 will be down around 15 percent from a year ago. Thus, despite a larger harvest, crop receipts will be down in the second half. However, heavy use of the CCC loan program by farmers is expected to help bolster receipts from crop products this year. Stronger prices for livestock items during the second half plus increased output for some items will boost cash receipts from marketings of livestock and livestock products slightly in 1977—perhaps by a billion dollars or so. Consequently, total cash receipts to farmers from marketings and CCC loans in 1977 may hold close to last year's \$94 billion.

Substantially larger direct government payments to farmers under the new farm Act will help increase gross farm income slightly to about \$105 billion. Deficiency payments to wheat producers are expected to total around \$1 billion this calendar year.

Production costs continue their persistent climb offsetting any small boost on the receipts side. Farmers' production expenses are estimated at around \$85 billion in 1977, up 4 to 5 percent from 1976 levels. Prices paid by farmers for production inputs during January-September averaged around 4 percent above a year ago. However, overall input prices have eased back from earlier in the year primarily reflecting lower feed prices. Feed prices paid by farmers by September were down around a fifth both from their May peak and from a year earlier, although increases earlier in 1977 will hold the annual average to only slightly below 1976 levels.

Prices of agricultural chemicals have also been down and fertilizer prices early in 1977 were about the same as a year ago. However, prices of other inputs continue rising sharply from a year ago—farm machinery, fuel, and seed were up around 10 percent, while wages, interest, taxes, and fencing materials rose 6 to 8 percent. Feeder livestock prices, which had been down earlier in the year, were up around 13 percent in September reflecting increased cattle placements in

## FARM PRICES RECEIVED WEAK; PRICES PAID EASE



▲ Includes interest, taxes, and wage rates.

\*October estimate

feedlots and planned expansion in hog slaughter.

The total use of inputs is likely to rise around 1 percent this year. Fertilizer consumption in 1976/77 (ending June 30) was up 6 percent from a year ago with total pesticide use in 1977 rising about 5 percent. Demand for feeder livestock and feed has been picking up this year as livestock and poultry producers are expanding output. On the other hand, sales of tractors and

## KEY STATISTICAL INDICATORS OF THE FOOD AND FIBER SECTOR

Item	1975	1976			1977					1978	
	Annual	III	IV	Annual	I	II	III	IV	Annual	I	II
Forecast											
Prices received by farmers (1967=100)	185	189	176	186	187	190	176	174	182	176	179
Livestock and products (1967=100)	172	175	165	177	172	174	178	179	176	180	183
Crops (1967=100)	201	206	190	197	204	208	174	168	189	173	176
Prices paid by farmers, all items (1967=100)	180	193	192	192	200	204	202	204	202	212	213
Production items <sup>1</sup> (1967=100)	187	201	198	199	207	211	207	208	208	218	220
Farm production (1967=100)	114	—	—	117	—	—	—	—	119	—	—
Livestock and products (1967=100)	101	—	—	106	—	—	—	—	108	—	—
Crops (1967=100)	121	—	—	122	—	—	—	—	127	—	—
Farm income: <sup>2</sup>											
Cash receipts (\$ bil.)	88.1	91.5	92.4	94.3	95.9	99.0	87.7	94.6	94.3	—	—
Livestock (\$ bil.)	43.0	45.5	45.4	46.4	45.3	48.0	46.2	49.7	47.3	—	—
Crops (\$ bil.)	45.1	46.0	47.0	47.9	50.6	51.0	41.5	44.9	47.0	—	—
Realized gross farm income (\$ bil.)	96.7	100.9	101.9	103.6	105.6	108.8	97.9	109.7	105.5	—	—
Production expenses (\$ bil.)	75.9	82.3	81.2	81.7	83.1	87.1	81.7	90.2	85.5	—	—
Farmers' realized net income (\$ bil.)	20.8	18.6	20.7	21.9	22.5	21.7	16.2	19.5	20.0	—	—
Farmers' total net income (\$ bil.) <sup>3</sup>	24.3	17.6	18.0	20.0	22.0	21.0	16.7	19.4	19.8	—	—
Market basket: <sup>4</sup>											
Retail cost (\$)	1,876	1,902	1,875	1,895	1,913	1,932	1,948	1,962	1,939	1,970	1,995
Farm value (\$)	784	748	709	749	741	749	754	738	746	735	750
Spread (\$)	1,092	1,154	1,166	1,146	1,172	1,183	1,195	1,224	1,197	1,235	1,245
Farm share (%)	42	39	38	40	39	39	39	38	38	37	38
Retail prices:											
Food (1967=100)	175.4	182.0	181.5	180.8	186.6	192.1	194.8	196	193	197	199
At home (1967=100)	175.8	180.6	179.3	179.5	184.8	190.3	192.7	194	191	194	196
Away-from-home (1967=100)	174.3	187.8	190.1	186.1	193.7	199.1	202.8	205	200	208	211
Per capita food use (1967=100)											
Animal-products (1967=100)	102.1	—	—	105.5	—	—	—	—	105.1	—	—
Animal-products (1967=100)	100.1	104.1	107.6	104.1	102.5	101.9	102.8	106.9	104.1	103.2	101.8
Crop-products (1967=100)	103.7	—	—	107.2	—	—	—	—	106.2	—	—
Agricultural exports <sup>5</sup> (\$ bil.)											
Agricultural imports <sup>5</sup> (\$ bil.)	21.9	5.6	5.4	22.8	6.5	6.2	6.3	5.0	24.0	—	—
	9.5	2.8	2.8	10.5	2.9	3.6	3.9	3.6	13.4	—	—

<sup>1</sup> Including interest, wages, and taxes. <sup>2</sup> Quarterly data are seasonally adjusted at annual rates. <sup>3</sup> Includes net change in farm inventories. <sup>4</sup> Quarterly data are given at annual rates. <sup>5</sup> Annual and quarterly data are based on Oct.-Sept. fiscal years ending with indicated years; quarterly data may not add to annuals due to rounding.



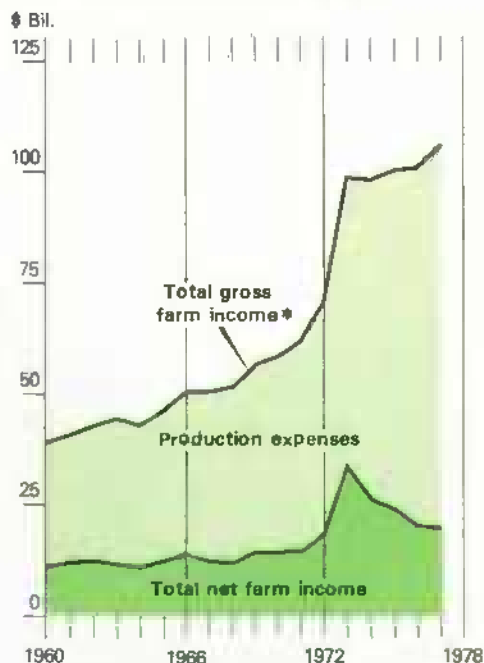
other farm machinery have been down this year. With falling farm incomes, there has been a general slowdown in debt repayment which will increase farmers' interest expenses in coming months.

Consequently, realized net income for 1977 is likely to total around \$20 billion, down from \$22 billion in 1976. After adjusting for inventory changes, total net income is estimated at around \$20 billion for both 1976 and 1977. However, in constant 1967 dollars, total net income in 1977 may total around \$10.5 billion, lowest since the 1930's.

The farm income situation in early 1978 would appear to be much the same as during the second half of this year. Crop receipts would be expected to decline from a year ago reflecting both lower crop prices and the shifting of marketings into 1977 as farmers made heavy use of farm programs. Livestock receipts in the first half of 1978 may be up some mainly from higher cattle and milk prices and larger output of pork, eggs and broilers. Larger direct government payments should help maintain gross farm income.

Production costs are expected to continue climbing in early 1978, although expenses may be moderated by lower feed prices, reduced crop inputs associated with the set-aside programs, and the generally poorer farm income picture. Based on estimates of receipts and expenses, realized net farm income on a seasonally adjusted annual basis in the first half of 1978 is expected to total well below the \$22 billion year-earlier levels.

## FARMERS GROSS MORE, BUT EXPENSES ALSO RISING



\*Includes change in farm inventories.



## U.S. and World Economies

The U.S. economy slowed during the third quarter after brisk economic activity in the first half of 1977. However, the growth rate is expected to receive a boost from a recovery in consumer spending this quarter.

The Nation's gross national product (GNP), after adjustment for inflation, increased at a seasonally adjusted annual rate of 3.8 percent in the third quarter, compared with 6.2 percent in the second quarter and 7.5 percent in the first.

Real final sales (GNP excluding inventory adjustments) rose at a 3.9-percent annual rate, much slower than the second quarter's 5.1 percent. Real growth was slowed by the leveling off of the rise in residential construction and by the decline in real consumer purchases of both durable and nondurable goods.

While the increase in business investment for plant and equipment was modest, government spending was the most dynamic. Federal defense purchases were strong, and State and local outlays were supported by an increase in public service job payrolls.

Inventory accumulation was a drag on third quarter growth. By increasing their inventories at the same rate as the previous quarter, businessmen failed to give real GNP

any forward momentum. However, inventories were still being built despite the sluggish demand.

Inflation decelerated in the third quarter. The GNP implicit price deflator eased to a seasonally adjusted 5.1-percent annual rate from the second quarter's 7.1 percent, and the first quarter's 5.3 percent increase.

### Consumer Income And Demand Moderate

The basis for the third quarter slowdown was primarily due to consumers who were no longer spending for goods at the same rate as earlier this year. One factor may have been the slowdown in nominal growth of disposable personal income from 13½ percent (annual rate) in the second quarter to 9 percent in the most recent period. The slower growth of income is traceable to an increase in personal taxes in the third quarter. Tax changes were minor in the previous period.

Real per capita disposable personal income increased at an annual rate of 8 percent in the third quarter, compared with 12½ percent in the second. The increase over a year ago was almost 10 percent.

Consumer expenditures for food (excluding alcoholic beverages) increased 0.2 percent from the second to the third quarter but dropped 0.5 percent after adjustment for inflation. During the second quarter, there was an unusually large increase in food prices which was reversed in the third quarter. In particular, prices of meat, fresh fruits and vegetables, and coffee weakened at the retail level and held down the increase in consumption expenditures.

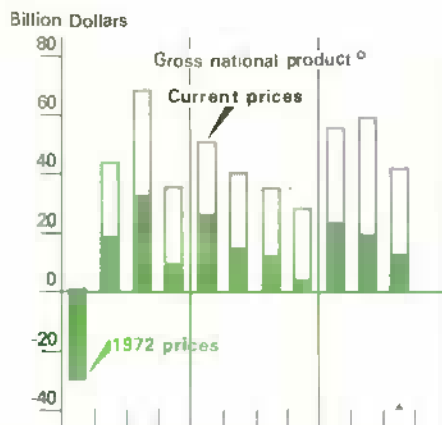
Expenditures for clothing and shoes, on the other hand, exhibited a more stable pattern—up 3.2 percent in current dollars and 1.7 percent in real dollars.

Personal savings, below historical levels for some time, advanced only moderately in the third quarter. The increase from 5.3 to 5.5 percent of disposable income was a relatively minor factor in reducing personal consumption expenditures.

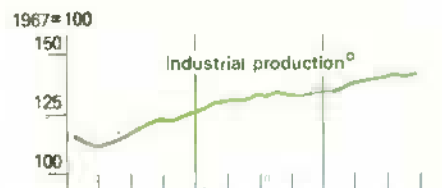
### Fourth Quarter May Pick Up

Despite the weak third quarter performance, there are reasons to expect consumption to pick up. Retail sales were up in early October and expectations are for strong Christmas as well as strong auto sales in the fourth quarter.

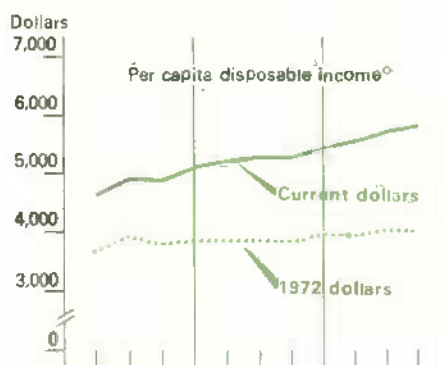
## REAL OUTPUT SLOWS . . .



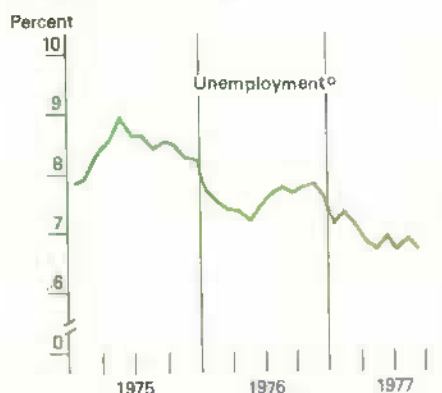
## ... AS INDUSTRIAL PRODUCTION LEVELS . . .



## ... WITH REAL INCOME HOLDING EVEN . . .



## ... AND UNEMPLOYMENT REMAINING HIGH.



Depending on the strength of personal consumption—the vital two-thirds of GNP—a growth rate in the neighborhood of 5 percent in the fourth quarter is possible. *Ruth Elleson, (202) 447-7643*

## World Economy in Low Gear

The growth performance of other developed countries has been disappointing, and forecasts for the coming year have been reduced. For all Organization of Economic Cooperation and Development (OECD) member countries, the growth rate was only 4 percent from June 1976 to June 1977. The United States, Japan, and West Germany registered the highest rates.

OECD growth in the second half of 1977 is forecast to be only slightly higher—4.5 percent—with much of the improvement in Japan. Growth in the European developed countries is forecast at under 3 percent for the rest of 1977 and first half of 1978.

Sluggish capital investment, low or fluctuating levels of industrial production, and continuing high price increases have kept unemployment at high levels in most developed countries. In France, the United Kingdom, and Canada, unemployment has risen slightly during 1977, while in most other countries it has remained stable. No substantial improvement in unemployment is expected over the next 12 months.

Any policies to stimulate consumer demand and capital investment face the problem of fueling inflation. This is still a serious problem in Italy and the United Kingdom which, followed by Canada and France, have had the largest price increases in the last year.

Overall economic growth in the non-OPEC developing countries is expected to continue rising at a healthy rate of about 5 percent in 1977—the same as in 1976. The Asian countries have the highest growth and lowest inflation rates. Growth rates of the OPEC nations, on the other hand, are expected to decline in 1977 while their domestic prices rise.

## Increasing Competition In World Markets

The demand for imports, including agricultural commodities, by other developed countries could be dampened somewhat if recent forecasts of slower economic expansion materialize. However, continuing economic growth in the developing countries should help bolster import demand.

The expansion in total world trade in 1977 may slow to an estimated 7 percent, and the widening divergencies in current account and balance of payments situations among countries may lead to increased competition for markets and greater use of import restrictions. The record U.S. total trade deficit and the extremely large Japanese surplus have also had effects on the two currencies and could lead to changes in trade patterns.

Buildups in reserves of all non-OPEC developing countries continued in 1977, stimulating imports while dampening the need for new commercial borrowings. The volume of imports from the developed countries is expected to rise sharply in the last half of 1977 and into 1978.

Some OPEC countries are facing a decline in their current account surplus position in 1977 as their economies expand while the rate of oil production slows down. Overall, however, the surplus probably will equal last year's surplus of \$41 billion. *Eileen Manfredi, (202) 447-7590*

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As promised in the August issue (AO-24), we've been working for a price reduction that more accurately reflects current costs and recent economies in publishing AO. After discussions with the Government Printing Office—which sets prices—we requested a formal price review which resulted in the new rates.

The lower rates will not affect content, illustrative graphics, sturdy paper stock (for mail survivability), or first class/priority postal service.

We will continue to provide subscribers, on request, with special bulk orders from available stocks for distribution to conventions or for classroom use. We will also continue listing new reports and providing a convenient form for ordering those that interest you.



## Food and Marketing

Lower prices to farmers are holding retail prices for U.S. farm foods nearly steady this fall despite continued upward pressure from marketing and distributing costs. Average prices for foods which do not originate on U.S. farms are also stabilizing following their rapid increases earlier this year when coffee prices zoomed. As a result, average grocery store food prices during the fourth quarter likely will be little changed from the previous quarter. Because of earlier increases however, fourth quarter grocery prices are expected to average around 7 percent above a year ago.

Price increases for away-from-home eating, which are influenced even more heavily by cost increases beyond the farm, likely will slacken only a little from the rate which has persisted through most of the past year. This would bring these prices about 8 percent above a year ago during the last quarter of 1977.

Among major food categories, retail meat prices, on the average, likely will hold about steady this fall with modest reductions for pork about offset by small increases for beef and other red meats. Although meat supplies will be up seasonally from the summer, output is not expected to match last year's

record. With both the farm value and marketing spreads for meat products sharing the gain, fourth quarter retail meat prices may average 4 or 5 percent above a year earlier.

Retail poultry prices are expected to decline seasonally during the fourth quarter. However, the drop is not likely to match last year's, leaving the fourth quarter average moderately above a year earlier. Egg prices are also expected to decline from the third quarter in contrast to their sharp increase last year. Consequently, fourth quarter egg prices should average well below their high level a year ago.

Dairy product prices, which have registered moderate increases over most of the past year, likely will continue to do so through the fourth quarter. Dairy prices at the end of this year are expected to be around 5 percent above the last quarter of 1976. Retail prices for fishery products also are continuing to climb somewhat more rapidly than most farm food products with fourth quarter prices likely to be about a tenth above a year earlier.

Average prices for crop-related foods are expected to decline slightly this fall, due to large harvests of most domestic food crops and coffee prices retreating from their midyear peaks. Seasonally lower prices for potatoes and fresh fruits likely will offset further moderate increases for processed fruits and vegetables, oilseed products, and other highly processed foods. The price increases anticipated for these foods will primarily reflect continued inflationary pressures within the marketing and distributing sectors.

### Moderate Food Price Rise in Prospect for 1978

With prospective large crop harvests this year and expanding livestock feeding, food price increases in the first half of 1978 will be well below the 1977 rate, particularly if coffee prices drift lower as expected. The upward pressure on food prices which is anticipated from the farm sector through mid-1978 may come primarily from a seasonal increase in the fruit and vegetable category. Higher expected prices for beef and fish will likely be offset by lower prices for pork and poultry. However, moderate increases in retail prices are anticipated in most other food categories mainly due to increased marketing charges.

Average increases in grocery store food prices in the neighborhood of 1 or 2 percent each quarter are anticipated through mid-1978. Compared with a year earlier, first quarter grocery prices may be up around 5 percent with the year-to-year increase slipping to around 3 or 4 percent by the second quarter. Average price increases for all foods may be pulled slightly higher by away-from-home food costs.

Second half food price increases will be heavily determined by the behavior and timing of the cattle cycle and the progress of 1978 crops, as well as by the upward pressure exerted by marketing and distribution costs. Total livestock production is likely to continue near 1977 levels throughout the year. Increased pork and broiler production will likely offset declines in beef production and should moderate price pressure in the livestock sector. Crop developments will continue to be dependent upon weather patterns during critical planting, growing, and harvesting periods.

### MARKET BASKET OF FARM FOODS<sup>1</sup>

Period	Retail cost	Farm value	Farm-retail spread	Farmers' share
				Percent
	1967=100			
1966 ...	101.1	106.3	97.8	41
1967 ...	100.0	100.0	100.0	39
1968 ...	103.6	105.3	102.5	39
1969 ...	109.1	114.8	105.5	41
1970 ...	113.7	114.0	113.5	39
1971 ...	115.7	114.4	116.6	38
1972 ...	121.3	125.0	119.0	40
1973 ...	142.3	167.2	126.5	46
1974 ...	161.9	178.3	151.5	43
1975 ...	173.6	187.1	165.1	42
1976 <sup>2</sup> ...	175.4	178.8	173.2	40
1975				
I ...	168.8	173.2	166.1	40
II ...	170.1	182.9	161.9	42
III ...	177.6	200.0	163.4	44
IV ...	177.9	192.3	168.8	42
1976 <sup>2</sup>				
I ...	176.7	183.3	172.6	40
II ...	175.3	182.6	170.8	40
III ...	176.0	178.6	174.4	39
IV ...	173.5	169.1	176.3	38
1977 <sup>2</sup>				
I ...	177.1	176.8	177.2	39
II ...	178.8	178.8	178.8	39
III ...	180.3	179.9	180.6	39

<sup>1</sup> Represents all food originating on U.S. farms sold in retail food stores. The retail cost is a component of the Consumer Price Index published by the Bureau of Labor Statistics. The farm value is the payment to farmers for equivalent quantities of food products less allowance for byproducts. The farm-retail spread is the difference between retail cost and farm value. <sup>2</sup> Preliminary.



In 1978, rising costs of processing and marketing foods may account for most, if not all, of the expected increase in food prices. Returns to farmers for U.S. food products and the average prices for imported foods will likely hold near 1977 levels. The average increase in grocery store food prices for all of 1978 likely will be somewhat below the 6-percent rise now estimated for 1977.

The outlook for a smaller food price rise next year reflects a reasonable range of weather patterns and a number of uncertainties. The large crops being harvested this year and the likely buildup of world grain stocks are expected to insulate against crop shortfalls. However, there is always a low probability that widespread weather problems could result in more upward pressure on food prices than currently expected. Weather impacts may be minimized by larger grain stocks, but the uncertainties surrounding producer response to new farm programs, the pattern of livestock cycles, the rate of inflation for non-food costs, and international negotiations for important world food commodities could all impact on food prices even if weather is generally favorable.

### Processing and Distribution Costs Continue Advancing

Inflationary pressure from rising wages of food processing and marketing employees and various inputs purchased by food marketing firms are expected to continue their upward pressure on prices for most foods. Recent and prospective wage agreements in food and allied industries and the pending increase in the minimum wage may accelerate labor costs of marketing firms. In addition, higher prices for goods and services, such as energy, packaging materials, and transportation, purchased by food marketing firms can also be expected to contribute to the cost-push.

In 1978, it appears that farm-retail spreads for market basket foods could average 4 to 6 percent wider than in 1977. Increases will vary among products, with price spreads for highly manufactured products more responsive to cost pressures than the more perishable products such as meats, fresh fruits, and vegetables.

### 1977 Food Prices in Perspective

After holding relatively steady through all of 1976, retail food prices were slightly below a year earlier at the end of 1976. However, through the first 7 months of this year, they rose at an average rate of a little over 1 percent per month. Although the rate of increase has slackened in recent months, grocery prices in September were still up nearly 7 percent from a year ago.

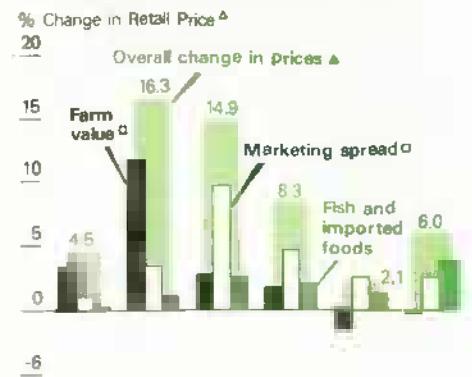
The sharp grocery price increases early this year brought back memories of the dramatic food price rises which contributed to the inflation rate from late 1972 to 1975. However, there are a number of important differences between the earlier increases and those occurring this year.

Higher farm commodity prices accounted for most of the sharp increases in retail food prices in late 1972 and 1973 in response to cyclical adjustments in domestic livestock industries, worldwide crop shortfalls, an expanding world population, international currency realignments, and easing of world trade restrictions—particularly between the U.S. and major Communist countries. In turn, sharply widening marketing spreads accounted for most of the food price increases in 1974 and 1975 as food marketing firms passed through cost increases which had been held in check by various phases of the economic controls program through mid-1973, as well as further sharp cost increases for energy, labor, and most other marketing inputs. These same cost pressures accounted for most of the food price rise in 1976 which was moderated by lower prices for domestic food commodities.

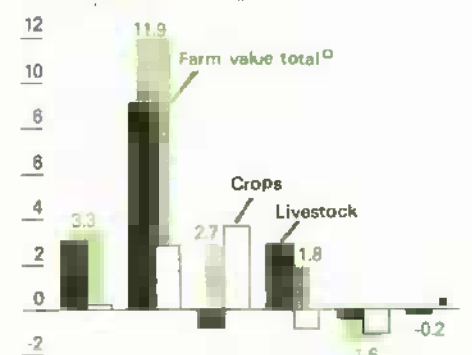
In contrast, sharply higher prices for coffee and other imported foods likely will account for about three-fifths of the expected 6-percent annual rise in grocery prices in 1977. Although returns to U.S. farmers were higher for some food items early this year due to weather-shortened supplies, farm prices for most commodities have declined again this year and average returns to farmers for U.S. farm foods likely will be a little lower than last year. Thus, wider marketing margins, again largely associated with higher costs for labor and other inputs, will account for all of the expected moderate rise in retail prices for U.S. farm foods and about two-fifths of the overall rise in grocery store food prices this year.

### CONTRIBUTION TO INCREASES IN FOOD STORE PRICES

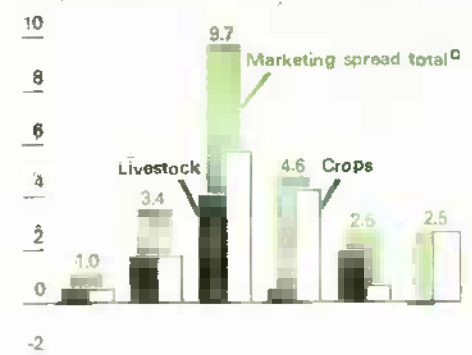
#### NONFARM FOODS AND MARKETING SPREADS ACCOUNT FOR ALL OF 1977 FOOD PRICE RISE ...



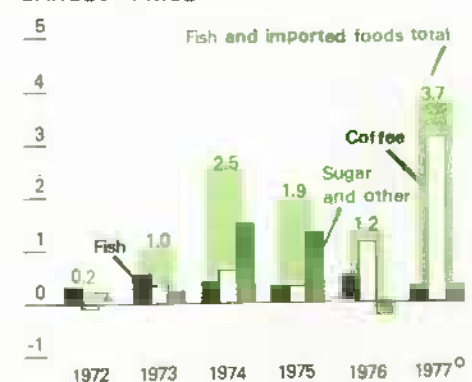
#### ... AS FARM VALUES DECLINE ...



#### ... WITH MARKETING SPREADS UP MAINLY FOR CROP PRODUCTS ...



#### ... AND COFFEE CONTRIBUTING THE LARGEST PRICE BOOST



$\Delta$  CPI price index for food at home.  $\square$  For market basket of foods from U.S. farms.  $\blacksquare$  No change in crops.  $\blacktriangle$  Less than .05 percent.  $\triangle$  Forecast.

Each of the major components of grocery store food prices—returns to farmers, marketing spreads, and imported foods and fish—have also shown widely varying movements in their subcomponents. The contributions of the farm value are separated into livestock and crop products. In 1972, 1973, and 1975 livestock products provided the dominant influence on the total farm value for a market basket of foods. In 1974, crop products contributed solely to the rise in farm value while livestock product value decreased. The opposite happened in 1975, although by 1976 the farm value for both crop and livestock products decreased and this had a moderating influence on the rise in retail food prices. It appears that farm value for neither crop nor livestock products will contribute to the rise in food prices this year.

The contribution of the farm-retail spread has also been separated into livestock and crop products. In 1972/73, both segments shared equally in the rise in food prices. However, in 3 of the last 4 years wider marketing spreads for crop products have accounted for much of the total rise in price spreads and have contributed significantly to the rise in food prices.

Fish and imported foods, which include coffee, tea, cocoa, bananas, and half of the sugar consumed in this country, make up the difference between domestically produced foods and the total food-at-home price index. In most years the contribution of this group of foods to the total rise in food prices has been relatively slight.

#### FOOD EXPENDITURE COMPONENTS

Item	1974	1975	1976	1977
	\$ Bil.			
Consumer food expenditures <sup>1</sup>	149.2	161.4	172.3	180.0
Farm value..	56.0	54.9	56.3	56.0
Marketing bill . . . .	93.2	106.5	116.0	124.0
Labor . .	44.8	49.1	54.3	58.8
Packaging	12.1	13.4	15.0	16.0
Transportation <sup>2</sup>	7.2	8.3	9.5	10.4
Other items .	29.1	35.7	37.2	38.8

<sup>1</sup> For U.S. farm foods. <sup>2</sup> Intercity rail and truck.

However, there are two notable exceptions. One occurred in 1974/1975 when a world sugar shortage caused sugar prices to skyrocket. The other occurred in 1976 and 1977 as coffee prices rose to unprecedented levels. Coffee prices alone may account for about half of the rise in retail food prices this year.

#### Labor Now Largest Component Of Consumer Food Expenditures

Consumers will likely spend around \$180 billion for U.S. farm foods this year, up from around \$136 billion in 1973. Nearly 90 percent of this rise will result from increased marketing costs. As a matter of fact, since 1974, the farm value of these farm-produced foods has held fairly steady, while the marketing bill continues to push upward. And over 40 percent of the rise in food expenditures in the 1973-77 period has been accounted for by increased labor costs.

In 1977, labor costs will probably become the largest single component of consumer food expenditures taking almost a third of the consumer's food dollar. Labor costs may exceed the farm value for the first time. The cost of labor in the marketing bill could top \$58 billion this year, while the farm value of U.S. farm foods may hold at about \$56 billion. *Larry Summers, (202) 447-8707 and Henry Badger (202) 447-8454*

#### Consumer Expenditure Survey Now Available . . .

Data on consumer expenditures for over 60 food items and more than 30 nonfood items are reported in the Labor Department's new Bulletin 1959, *Consumer Expenditure Survey: Diary Survey, July 1972-June 1974*. Survey data are presented in 129 tables which classify consumers by important socioeconomic characteristics, including income, region, and family size.

This comprehensive body of income and expenditure data can be used to analyze consumer demand and income, prepare market research analyses of demand for different products or market areas, or plan social welfare efforts and counsel families on household budgets.

Bulletin 1959, priced at \$5.50, can be ordered from Superintendent of Documents, Government Printing Office, Washington, D.C. 20402. For further information, contact Eva E. Jacobs, Div. of Living Conditions Studies, BLS, U.S. Dept. of Labor, Washington, D.C. 20212—or call (202) 523-9637.



## Spotlight on Coffee and Tea

The U.S. average price for a 1-pound can of roasted coffee was \$3.75 in September, down nearly 20 cents from the July peak of \$3.94.

Green coffee prices, which peaked last April, also continue to decline. In early October, the ICA (International Coffee Agreement) composite price was under \$2.30 per pound, but this overstates the actual price of under \$1.90 per pound that U.S. roasters were paying. Brazil's minimum export price of \$3.20 a pound, well above current market prices, is reflected in the ICA composite price even though Brazil has not yet put its 1977 crop on the world market.

How long Brazil can postpone exports of its 1977 crop remains to be seen. Central American and Mexican harvests began in October and these crops should be available in U.S. markets by December.

With the sharply larger 1977/78 crops and the substantial dropoff in world consumption, particularly in the United States, the major impact of Brazil's strategy in recent months has been to slow—but not stop—the decline in green coffee prices. However, if Brazil should begin to sell its coffee on the world market, as eventually it will, its sales will further reduce prices.

Even if green coffee prices should temporarily increase later this year or early next year in response, for example, to a possible seasonal increase in winter coffee

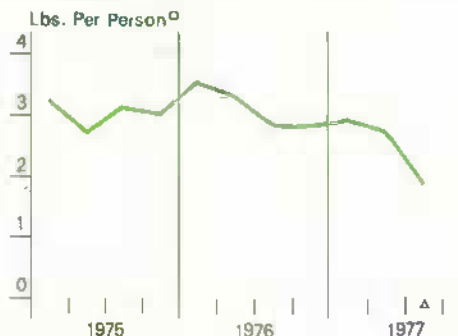
consumption, U.S. retail prices can be expected to decline for some time. But barring an unexpected development, the decrease will probably not be very fast.

### Higher Tea Prices Likely Despite Larger Crop

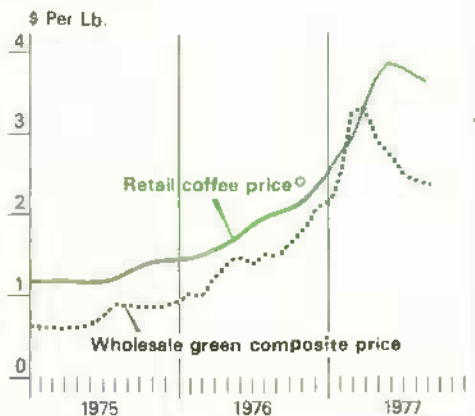
The 1977 world tea crop is expected to reach a new record of 1.39 million metric tons (dry leaf basis), up 7 percent from the previous year. However, global tea consumption is also expected to rise because of high coffee prices. Therefore, despite the larger crop, there will likely be a further increase in the U.S. average retail price from the September level of \$1.16 per 48-bag package. In January, the price was 95 cents per package.

U.S. tea use is up this year largely in response to higher coffee prices. Imports for the first 9 months of this year totaled over 175 million pounds, up over a third from a year earlier. Although fourth quarter imports could tail off some from last fall's 50 million pounds, tea imports for all of 1977 are expected to set a new record of over 200 million pounds and possibly approaching 225 million pounds. *Fred Gray (202) 447-7291*

### LOWER U.S. COFFEE CONSUMPTION ...



### ... CONTRIBUTES TO RECENT PRICE DECLINES



□ Green bean equivalent. ▲ Preliminary.  
○ U.S. avg. for 1-lb. can roasted coffee.



## Commodities

Fall harvesting weather will still be important in determining the final size of this year's crops, but large crop production seems certain. Timely rains this summer in the Corn Belt largely offset the impact of very poor subsoil moisture conditions during the growing season. However, field crops were hard hit by drought in the Southeast.

With hefty crops and big carryovers from 1976/77, prices of corn are below and prices of wheat are near loan levels. Soybean and cotton prices are also weakening because of the large 1977 crops now in prospect—a reversal of the 1976/77 situation.

Just as higher feed prices several years ago throttled down livestock production, lower grain and protein meal prices are encouraging livestock producers to take further steps to expand production.

### More Pork Seen for 1978

With large 1977/78 corn and soybean crops, hog producers have continued their expansion efforts. In 14 major States, the June-August pig crop, which will supply most of the slaughter hogs marketed during the winter, was 9 percent larger than a year earlier.

With only 5 percent more market hogs weighing under 60 pounds on September 1, the increase in hog slaughter this winter may be limited to 7 to 8 percent. However, if

farrowing intentions showing a 10-percent increase for the fall quarter are realized, April-June slaughter may be up more than 10 percent from the year-earlier period.

Through the first half of 1978, red meat production is expected to continue above a year earlier and above the seasonally large second half 1977 total. But further gains in consumer income likely will keep retail prices of red meats modestly above levels for the first half of next year. Year-to-year increases are in prospect for beef prices, while pork prices may be lower.

Slaughter hog prices through the first half may be off about 15 percent from a year earlier with a mid-\$30 average. Assuming some seasonal reduction in both beef and pork production during the spring quarter, little difference would be expected in the winter and spring quarter price averages.

Prospects for the second half are less certain. The first indication of potential farrowings for December-February 1978 is for an 11-percent increase over this year. Breeding of sows to farrow during the winter quarter is confined to the months of August through October. Thus, potential slaughter through the third quarter of 1978 is essentially determined.

The September inventory of market hogs weighing 120 to 180 pounds was reduced 4 percent, and probably accounts for much of the 8 percent increase in the breeding herd. The December 1 breeding inventory may be increased further, with gains in the March-May pig crops at least as great as that planned for the winter quarter. Slaughter during the second half of 1978 could then be increased 15 percent over this year. *Eldon Ball (202) 447-8972*

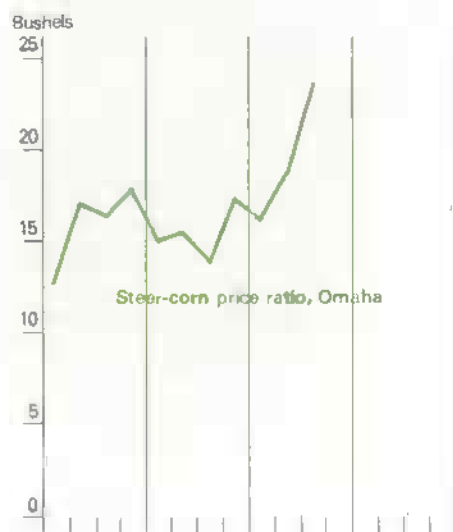
### Beef Supplies To Continue Large

Beef supplies during the remainder of this year and into early 1978 will continue relatively large. These beef supplies will consist of a higher percentage of fed beef as fed cattle slaughter increases above year-earlier levels and nonfed steer and heifer as well as cow slaughter declines.

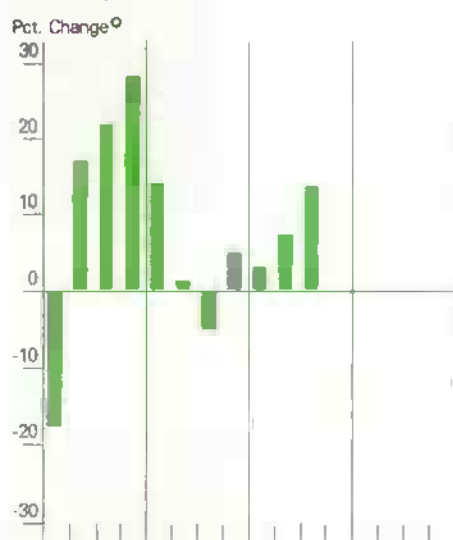
Increases in placements of cattle on feed and a buildup in feedlot inventories suggest larger supplies of fed cattle for the next



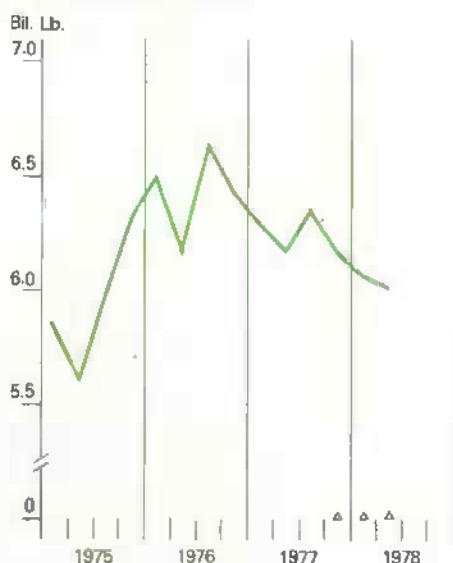
# IMPROVED STEER-CORN PRICE RELATIONSHIPS ...



# ... ENCOURAGING GAINS IN FEEDLOT PLACEMENTS ...



# ... BUT REDUCED NONFED SLAUGHTER WILL CUT 1978 BEEF OUTPUT



From year earlier. Estimated.

several months. Net placements of cattle on feed in 23 major States during the July-September period were 14 percent above the year-earlier level. With fed cattle marketings down 1 percent, the October 1 inventory of cattle on feed was 5 percent above a year ago.

Sharply lower corn prices this summer helped prompt cattle feeders to increase placements. The steer-corn ratio (Omaha basis) rose to 24.2 to 1 in August and September, the first time this ratio had exceeded 20 to 1 since July 1973, and up from about 14 to 1 last summer. The ratio will probably remain above 20 to 1 well into 1978 during which time placements of cattle on feed will most likely show year-to-year increases.

Fed cattle marketings during the first half of 1978 could be up around 3 percent, which would leave beef production only 2 to 4 percent below the first half 1977 level. Although fed beef supplies are also expected to be up in the second half of next year, a large decrease in nonfed beef supplies should result in larger declines in beef supplies than expected for the first half of the year.

The large supply of beef anticipated this coming winter will keep the pressure on fed cattle prices. Choice 900-1,100 pound steers at Omaha are expected to trade in the high \$30's to low \$40's until spring.

Some rise in fed cattle prices could occur next spring if nonfed beef supplies decline substantially. Fed cattle prices during the second half of 1978 could advance a little more as nonfed beef supplies continue to decrease. James Nix (202) 447-8972

# Strong Gains in Milk Production To Persist

Milk production continues to be boosted by favorable milk-feed price relationships. Production for all of 1977 is expected to total about 123 billion pounds of milk with further strong gains expected during the first half of 1978.

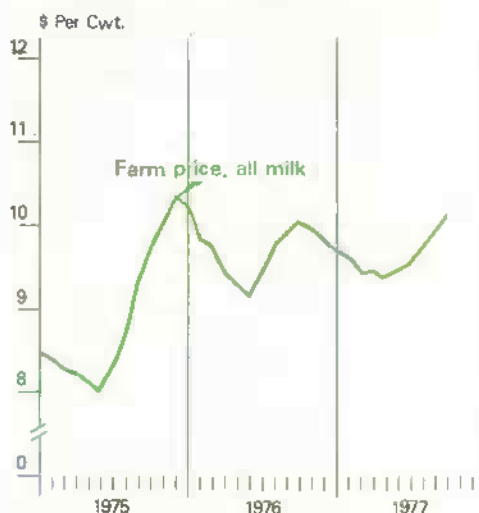
Farmers fed almost 6 percent more concentrates per cow than a year ago on October 1. This heavy feeding is reflected in output per cow which was up 3½ percent

from a year earlier in September. The generally favorable income conditions for dairy producers held the year-to-year decline in milk cow numbers to the relatively very slow rate of a half percent.

The very heavy milk supplies are still holding down farm milk prices. In September, manufacturing grade milk prices averaged \$8.80 per 100 pounds, 16 cents below the announced support level when adjusted for fat content. Manufacturing milk prices have moved closer to support level since last spring but only modestly.

Some further strengthening in manufacturing milk prices is likely in coming months. Further seasonal declines in the supplies of milk available for manufacturing probably will help as will the slight increase in wholesale dairy product prices. In addition, the impact on cheese yields of the seasonally higher solid content of milk will have a price-bolstering effect. Charles Shaw and James J. Miller (202) 447-8915

# MILK PRICES RISING SEASONALLY



## Larger Poultry and Egg Production Forecast

Broiler production in 1977 will be up 2 to 3 percent from a year earlier, and the large grain and soybean crops being harvested this fall should spur a further expansion in 1978. First half 1978 output may average 5 to 7 percent larger. Second half output likely will remain above a year earlier, although the rate of increase may slacken.

Broiler prices this fall should remain relatively strong until around mid-November, when they are expected to drop sharply because of the seasonal decline in demand and a sharp gain in broiler meat supplies from a year earlier. However, prices in October-December should average above the 35.5-cent average in the fourth quarter of 1976.

First half 1978 broiler prices are expected to average in the high 30-cent range, compared with 41.6 cents in January-June 1977. Lower prices will result from larger output of pork and broilers. Broiler prices will continue to be pressured by increased pork and chicken in the second half of 1978 and prices are expected to remain below 1977 levels.

Turkey meat production may about match a year ago this fall, but for all of 1977 be down around 2 percent from 1976's record 1.9 billion pounds.

However, marketings during the seasonally light first half 1978 are expected to be substantially above year-earlier levels. Stronger turkey prices and lower feed prices than a year ago will encourage producers to step up production in 1978.

Turkey prices have been above a year ago so far in 1977 and for the fourth quarter could average 6 to 8 cents above the 49 cents for October-December 1976. Prices likely will decline seasonally after the holiday demand is filled and average near year-earlier levels during the first half of 1978.

Egg producers are expected to respond to lower feed prices by continuing to boost output in 1978. However, relatively weak shell egg prices likely will hold the increase to around 2 percent above the previous

year in the first half of 1978 with an even smaller gain likely in the second half.

Egg prices, below year-earlier levels since April, will show some seasonal strength in coming months as demand picks up for the holidays. However, fourth quarter prices may average about 15 cents below the 78 cents for October-December 1976. First half 1978 prices will likely remain well below January-June 1977 because of increased egg output. *William Cathcart and Gerald Rector (202) 447-8801*

## Record-Large Supplies Could Encourage Smaller 1978 Soybean Acreage

Soybean acreage in 1978 may be influenced by additional factors along with the usual ones such as weather and price relationships with competing crops. Following the record plantings of 1977 and the lower farm prices expected this season, it would appear that acreage next year should decline significantly. However, with corn prices also sharply lower, soybean prices likely will remain competitive, or at a price ratio of about  $2\frac{1}{2}$  to 1.

Also, the set-aside program for feed grains—if initiated—will be an additional element which farmers will need to figure into their cropping plans. Just how farmers would react to a set-aside provision is diffi-

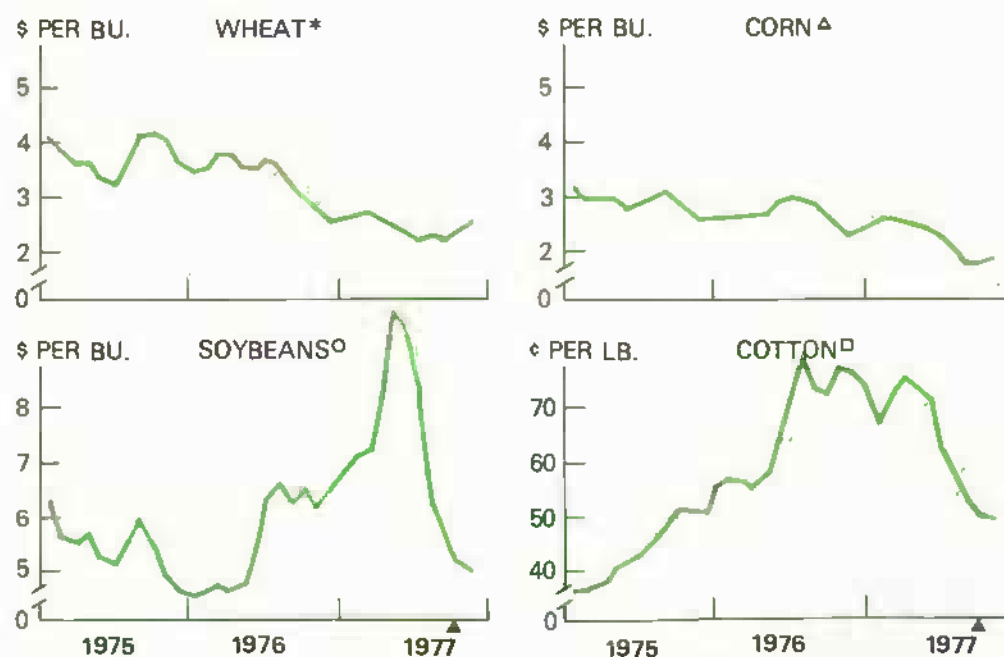
cult to predict. Another important variable—still uncertain—involves the soybean support level for 1978. If the price support is raised materially above the \$3.50 per bushel rate of this season, farmers could respond with a shift in acreage. The Secretary of Agriculture has indicated that he will announce the soybean price support early in 1978.

Nevertheless, with corn loan and target prices for 1978 at \$2.00 and \$2.10 per bushel, respectively, there may be only a slight downward shift in soybean acreage.

During 1977/78, record large soybean supplies are expected to face only a moderate increase in use. As a result of this easier supply situation and a prospective buildup in carryover stocks, soybean prices probably will average near \$5 per bushel, compared with \$7 the past marketing year.

Prices this fall may be seasonally low during the heavy harvest. A post-harvest rise in soybean prices probably will occur, but much depends upon farmers' willingness to store soybeans and/or place them under CCC loan, and the competition from Brazil and other major oilseed, fats, and oil producers in the world. *George Kromer and Stanley A. Gazelle (202) 447-8444*

## CROP PRICES WEAK: WHEAT RISING SEASONALLY



## 1978 Cotton Crop Seems Headed for Cut

The outlook for the 1978/79 season features the likelihood of a larger U.S. cotton carryover next summer, but perhaps a smaller 1978 crop. Disappearance may change little as larger U.S. mill use may about offset smaller prospective exports.

The quantity of cotton produced in this country next year will depend on a number of factors, including the price of cotton relative to competitive crops such as soybeans and grain sorghum, weather, and legislative program provisions. At this early date, it is difficult to guess the weather. But the new farm program, the "Food and Agriculture Act of 1977," is all set.

The upland cotton program is basically a continuation of previous legislation with a few new twists. One of the major thrusts of the program is aimed at achieving greater price stability. By extending the loan period when prices are relatively low and liberalizing import quotas when prices are high, it is hoped that some of the peaks and valleys of future price movements will be smoothed out.

For the 1978 crop, the loan rate will be based on the world price and will be about 44 cents per pound, compared with 44.63 cents for the 1977 crop. The target price will be around 52 cents per pound, up from 47.8 cents now.

## Home Gardening Yearbook Published By USDA . . .

"Gardening for Food and Fun," the 1977 Yearbook of Agriculture just off press, has been designed as a practical guide book for gardeners of all types—from the beginner to the proficient, from young people to retired persons.

The new Yearbook has 400 pages of gardening text plus 32 pages of color photos. It is organized into four sections: "Introduction to Gardening," "Home Garden Vegetables," "Fruits and Nuts," and "Home Food Preservation." The last section tells how to preserve and store garden produce at peak quality.

A copy of the Yearbook may be purchased at government bookstores for \$6.50 or may be obtained by sending a check or money order for that amount to Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Order by stock number 001-000-03679-3.

Prices for both cotton and competing crops have declined over the past 6 months with cotton experiencing the sharpest drop. Thus, if current price relationships prevail at planting time, acreage seeded to cotton next spring could total considerably below this year's 13.4 million acres.

The sharpest drop in 1978 acreage may occur in Texas and Oklahoma, where cotton will face more intensive competition from sorghum. Although sorghum prices also are relatively low now, they may offer a better alternative next spring than cotton in some areas of the Southwest. In the Far West, cotton acreage is expected to remain relatively large if the water shortage does not worsen. Moving eastward, cotton acreage may not change much in the Delta in light of the recent weakening in soybean prices which has generally paralleled the decline in cotton prices. However, cotton acreage in the Southeast may slip further if weather and insect problems continue to boost production costs.

In summary, given current price relationships between cotton and competing crops, U.S. farmers may plant 11 to 12 million acres of cotton in 1978, about 10 to 20 percent below 1977 plantings. *Russell G. Barlowe (202) 447-8776*

## Smaller Supplies, Strong Demand Exert Upward Pressure on Fruit Prices

Smaller supplies of most citrus, moderate supplies of most noncitrus, and strong demand from both fresh and processing outlets should keep average prices for fresh and processed fruit above last year's levels.

The first forecast of the 1977/78 season indicated a citrus crop of 14.3 million tons, 6 percent less than last year's record and 2 percent below 1975/76. The orange crop will be down 9 percent, but Florida's early and midseason crops—important juice producers—will be down 23 percent. Noncitrus fruit production will be up around 1 percent mainly because of more apples.

## CITRUS FRUIT PRODUCTION

Crop	1975/76 1976/77 1977/78		
	Thou. tons		
Oranges . . . . .	10,493	10,595	9,612
Grapefruit . . . . .	2,850	3,029	<sup>1</sup> 3,100
Lemons . . . . .	670	973	961
Tangerines . . . . .	236	249	260
TemPles . . . . .	248	171	234
Tangelos . . . . .	248	216	216
Total citrus <sup>2</sup> . . . . .	14,788	15,273	14,403

<sup>1</sup> Partly forecast. <sup>2</sup> Includes tines.

While juice yields will be up, the smaller crops of Florida oranges will result in higher prices for frozen concentrated orange juice this season. Stocks in marketing channels in mid-October were low because of strong sales and reduced pack due to a poor juice yield. Carryout at the end of the season will be smallest in several years.

The 1977/78 pack of most processed noncitrus fruit is expected to be above a year-earlier. However, total supplies of canned noncitrus are still likely to be near last year's level because of smaller carryin stocks at the beginning of the season, while supplies of dried and frozen fruit could be moderately above a year ago. Demand for processed noncitrus fruit is expected to be good both here and abroad. Thus, with higher costs of raw materials and processing, prices of processed noncitrus items at all levels are expected to remain firm. *Jules Powell and Ben Huang (202) 447-7133*

## USDA Initiates Farmer Newsletter Series . . .

The first issue in a series of commodity newsletters planned to help farmers make production and marketing decisions was published this October, by the U.S. Department of Agriculture.

The initial newsletter, "Commodity Outlook for Farmers: Wheat," was sent to randomly-selected farmers in Oklahoma and Kansas to get their reaction to the service. The pilot issue discussed the new farm law and how wheat producers may use it to their best advantage in the light of current economic conditions.

Several issues of the wheat letter are planned for publication over the coming year, and a schedule of release dates will be announced soon. Letters covering other major commodities are in the development stage.

Farmers and ranchers wishing to have their names added to the mailing list to receive free copies of upcoming issues of "Commodity Outlook for Farmers: Wheat" should send their names and addresses, including zipcodes, to Economic Research Service, Publications, Room 0054, South Building, U.S. Department of Agriculture, Washington, D.C. 20250. Specifically request a free subscription to the Wheat Newsletter.



## Ample Supplies of Processed Vegetables Available

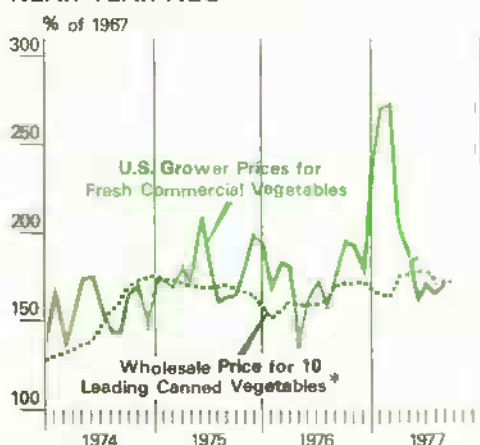
Raw tonnage of the seven major processing vegetables this year is up 18 percent from a year earlier, with the biggest gains occurring for tomatoes and sweet corn. Wholesale prices for canned vegetables rose steadily between March and August, but with heavier supplies available for the months ahead, canned vegetable prices may average about the same or only a little higher than in late 1976.

The supply picture is tighter for frozen products and fewer promotional allowances are expected this fall than for canned. Nonetheless, stocks of frozen vegetables on October 1 were only 1 percent smaller than a year earlier. While wholesale frozen vegetable prices moved up during the summer, most vegetable prices will remain well above a year earlier.

Fall fresh market vegetable supplies may be about 6 percent larger than a year ago, if yields hold close to the historical average. Although some seasonal rise is expected during the remainder of 1977, grower prices may average slightly less than a year earlier. While retail prices will likely increase seasonally, they should hold close to fourth quarter 1976.

With another large crop of fall potatoes in prospect—only 1 percent below the 1976 record—grower prices will remain low and hold close to the year-earlier average. Had it not been for untimely late September rains in several eastern and midwestern districts, the crop might have turned out even larger. With export demand slackening to a more usual pattern, and processing activity only moderately strong, the market lacks the brisk pace of last year. *Charles Porter (202) 447-8666*

## FRESH VEGETABLE PRICES NEAR YEAR AGO



\* Index developed by ERS for snap beans, corn, peas, tomatoes, tomato juice, tomato catsup, beets, carrots, sauerkraut, and spinach.

## Tobacco Use Seen Holding Steady in 1977/78

U.S. tobacco output was estimated at 1,892 million pounds as of October 1, about equal to 1976/77 disappearance and adequate for anticipated 1977/78 use.

Cigarette consumption has risen very slightly in 1977 as sales of new brands of low tar and nicotine cigarettes more than offset declines for other brands. This trend in cigarette consumption is not expected to change substantially in 1977/78. Thus, the use of U.S. tobacco will probably not change much since declines in cigar and smoking tobacco consumption are expected to offset an increase in smokeless use.

Export prospects appear limited by current high prices. The relative shortage of export grades in 1977's flue-cured crop resulted in record prices for the better grades of tobacco usually purchased for export, bringing the season average close to \$1.19 per pound.

A USDA task force held public hearings in September and October concerning the price-support program. The national marketing quota will be announced by December 1. Individual flue-cured quotas will reflect under- and over-marketings of the 1977 crop. Based upon the present price support formula required by law, tobacco supports for 1978 will rise about 7 percent and exceed the record average market price.

*Robert H. Miller (202) 447-7290*

## Feed Grain Set-Aside Still Under Consideration

Several alternatives for set-aside and other program provisions are now being considered for the 1978 feed grain program. These, along with the wheat program, will have an important bearing on growers' planting decisions.

On August 29, USDA announced intentions for a 20-percent set-aside on 1978 wheat plantings and the possibility of a set-aside for feed grains. But it was indicated that a final decision would be contingent on additional information about 1977 production and probable usage in 1977/78. The 1977 Farm Bill requires that any set-aside must be announced not later than November 15.

Feed grain loans for 1977 are \$2.00 per bushel for corn, \$1.90 for sorghum, \$1.63 for barley, and \$1.03 for oats. Loan rates for 1978 feed grain crops will be announced later.

The 1978 target price is \$2.10 per bushel for corn. The target price for sorghum will be established later, as will those for barley and oats, if those grains are designated.

*George R. Rockwell, Jr. (202) 447-8636*

## Only Modest Cut Seen In 1978 Wheat Output Despite 20-Percent Set-Aside

While a 20-percent set-aside on 1978-crop wheat harvested for grain has been indicated, wheat acreage in 1978 may be down roughly a tenth because there likely will be some growers who will not participate in the program. But in view of current good moisture conditions and barring unfavorable weather developments, the crop next year probably will be down considerably less than the reduction in acreage—perhaps around half the decrease in acreage.

The 1978 wheat loan rate will likely remain at \$2.25 per bushel and the target price will rise from \$2.90 to \$3.00 per bushel if the 1978 crop is 1.8 billion bushels or more, or \$3.05 if the crop is less than 1.8 billion bushels. (The 1977 harvest is estimated at 2.03 billion bushels.)

Target price payments will likely be an important income factor. They will be made on a percentage of a farmer's 1978 plantings for harvest (not less than 80 percent or more than 100 percent) and the farm program yield set by the county ASCS office. The allocation factor will be the national program acreage divided by the number of harvested acres. If a farmer reduces 1978 wheat acreage for grain harvest by 20 percent from 1977 and meets all set-aside requirements, his entire acreage will be eligible for target price payments. *George R. Rockwell, Jr. (202) 447-8636*

## Conference News . . .

The Population and Food Policy Conference sponsored by the Population Food Fund will be held in Washington, D.C., on February 22-24, 1978. The Conference is part of the Capon Springs Public Policy Series which provides forums to share information on, and proposed solutions to, population, food, resource, and environmental problems. For further information, send your postcard request to: Eliot Glassheim, Ph.D., Vice President—Population/Food Fund, Box 255 University Station, Grand Forks, North Dakota 58202; or call (701) 777-3594.



## Transportation and Storage

The storage situation for feed grains and soybeans remains tight, although winter wheat is safely under cover.

At least nine important grain States are expected to need more on-farm storage than was in use on January 1, 1977, and two of these, Missouri and Minnesota, have potential storage deficits of more than 125 million bushels. In some of these areas, producers may be forced to seek storage space in more distant locations. Besides higher costs associated with greater distances, the use of commercial vehicles in place of farmer-owned wagons and trucks could substantially increase transport costs.

On-farm storage appears to have expanded rapidly during 1977 and will help to relieve some of the crunch this fall. Factors leading to the expansion include the expected tight storage situation, relatively low grain prices, price incentives for producers to store grain under loan, and the ASCS loan program for farm storage facilities. However, demand has been so heavy that some bin manufacturers are reported to have fallen 4 to 6 weeks behind orders and some farmers will be caught short.

The tight storage situation also is resulting in higher storage charges. Some elevators are reported to have increased their charges from 1.50-1.65 cents to 1.95-2.01

cents per bushel per month. Increased storage costs will add to marketing costs during the coming year.

### New Orleans Strike Tightens Barge Supply

Although the strike of bulk grain exporting facilities at New Orleans was relatively short, its impact may be longer lived. While the struck facilities worked off their backlog in less than 2 weeks, nearly 2,000 barges out of a barge fleet of about 7,400 were stalled at the New Orleans port complex in mid-October. By late October, about 1,200 remained idle. The delay in returning these barges to the upper Mississippi and Illinois rivers has slowed deliveries of fertilizer and salt to the Midwest and may create a tight barge supply situation for river shipments of new crop corn and soybeans.

Shipments of grain by barge during January-September were down about 4 percent from a year ago. However, October and November are normally peak months for barged grain and the demand for barges should be heavy as record corn and soybean crops are harvested. Although the New Orleans dock strike will tighten the barge supply situation, a generally adequate supply of equipment is anticipated for the rest of the year.

### Hopper Car Supply To Remain Tight

Rail car loadings of grain have been on the wane since August and are expected to remain below usual levels well into 1978, reflecting limited marketing opportunities.

A substantial shortage of covered hopper cars developed in early October. This shortage has averaged 3,000-4,000 cars per day or about the same level experienced during early harvest in 1976. Despite the lower levels of mail car loadings of grain, the covered hopper car supply is expected to remain tight and some shipping delays are anticipated during harvest. No large scale shortages, however, are expected.

### Rail Rates Resume Climb

The nearly stable rail rates for both food products and farm products that prevailed for much of 1977 have come to an end. Rail rates during 1978 are expected to be 6 to 7 percent above 1977 levels. Rates charged by trucks and barges are also anticipated to rise commensurately.

A 20-percent rate increase for shipments of grain (including soybeans) and grain products within the Southeast is now in effect. This peak season rate was obtained under

provisions of the Railroad Revitalization and Regulatory Reform Act of 1976 and will remain in effect through December 15, 1977. These peak season rates are intended to forestall peak shipments at harvest and are expected to become widespread during 1978.

Railroads have filed an application with the Interstate Commerce Commission for a 5-percent general rate increase. In most prior general rate increases, only part of the increase applied to agricultural commodities. The current increase will apply on all agricultural commodities except certain cotton shipments in the Southeast and potatoes from origins on the Bangor and Aroostook Railroad in Maine. This increase is expected November 30, 1977.

### Ocean Freight Rates Holding Fairly Steady

Ocean freight rates for heavy grain remained nearly level during the second and third quarters of 1977. Rates from Great Lakes ports are expected to increase seasonally in the weeks immediately before closing of the St. Lawrence Seaway. For other origins, rates are expected to continue relatively stable.

U.S. and Soviet negotiators have agreed to continue a \$16 per long ton base rate for heavy grain shipments from the U.S. Gulf to Soviet Black Sea ports. This rate stood at \$16.47 per long ton during 1977 as 47 cents was added to the \$16 base to account for U.S. vessels carrying less than the agreed upon quantity of grain during 1976.

*T. Q. Hutchinson, (202) 447-6363.*

### ON-FARM GRAIN STORAGE REQUIREMENTS

State	On-farm stocks Jan. 1, 1977	Estimated on-farm storage needs Dec. 1, 1977	Additional storage required Dec. 1, 1977
		Mil. bu.	
Indiana	425.8	483.2	57.4
Michigan	92.5	148.0	55.5
Minnesota	384.4	687.9	303.5
Missouri	133.2	260.0	126.8
Montana	148.1	184.2	36.1
North Dakota	303.7	334.0	30.3
Ohio	239.7	275.1	35.4
Tennessee	37.9	52.0	14.1
Wisconsin	152.1	192.3	40.2





## Policy Developments

Following Congressional approval earlier in the month, the President signed the Food and Agriculture Act of 1977 on September 29. The new 4-year Act, directed toward the 1978-81 programs, also makes some important changes in the support and disaster programs for 1977 wheat and feed grain crops.

The new Act continues some provisions of past legislation, such as target prices and loan rates. However, it also develops some new concepts, such as the farm program acreage and the program acreage allocation factor—terms with which those working in agriculture will have to become acquainted.

Some of the general concepts in the 1977 Farm Act include:

(1) An overall grain concept. For instance the relationship of minimum loan levels for wheat and corn would permit wheat feeding when market prices of both commodities are at the loan rate.

(2) A program designed to handle under-supply conditions as well as periods of over-supply. Managed grain reserves are one of the tools provided to accomplish this.

(3) A more important role for cost of production in this law than in any previous legislation. Production costs will be the primary movers of target levels in the 1979-81 period.

(4) The concept of farm program acreage—historical allotments and bases assigned to individual farms under previous farm legislation have been eliminated.

(5) An interface between foreign and domestic agricultural policy. The legislation encourages an international system of food reserves and authorizes farmer-owned domestic grain reserves.

### Target Price and Loan Program Continues

The 1977 Act continues the dual target price and loan rate system, providing price and income support protection to farmers. Target prices are the basis for providing deficiency payments to producers who participate in the wheat, feed grain, cotton, and rice programs.

Deficiency or target price payments vary inversely with market prices. No payments are made if the market price is at or above the target price; if the market price is below the target, payments are based on the difference. However, in no case can the payment rate exceed the difference between the price support loan and the target price. Payments will be made on the farm program acreage, a new concept, rather than allotments.

Nonrecourse loans continue as a basic part of the farm program. With these loans, an eligible producer can commit any quantity of his crop as collateral for a loan from the Commodity Credit Corporation (CCC). The total amount that can be borrowed from CCC is equal to the quantity of the crop placed under loan multiplied by the loan rate. Nonrecourse loan contracts are written with an expiration date. Upon or any time prior to expiration, producers may redeem their loan by repaying the loan amount plus any interest that has been incurred and retain possession of their crop. If producers choose not to redeem their loan, the CCC takes title to the commodity as full payment for the loan, including interest payments.

The 1977 Act specifies target prices and loan minimums for wheat and corn for the 1977 crop (1977 crops were originally included under the 1973 Act); target prices for wheat and corn for 1978; a minimum target price for cotton for 1978 through 1981; the formula for setting the 1978-81 target price for rice; loan minimums for wheat, corn, and rice in 1978; and a formula for determining cotton loan levels.

A target price adjustment provision will apply to the 1979-81 wheat and corn crops. The adjustment provision will begin in 1978 for cotton and rice, with a minimum target price of 52 cents a pound specified for upland cotton in 1978. The 1979 target prices for wheat and feed grains will be the respective 1978 target prices adjusted to reflect changes in the 2-year moving average adjusted variable, machinery ownership, and general farm overhead costs. Thus, land and management costs are not included in the adjustment formula.

### Target Prices and Price Support Loans for Wheat and Feed Grains

Target prices and loan rates for wheat and feed grains from the 1977 crop were originally announced by the Secretary of Agriculture under provisions of the 1973 Act. However, the 1977 Act adjusts the target price for the 1977 wheat crop and revises both the target price and minimum loan level for the 1977 corn crop.

#### TARGET PRICES AND LOAN LEVELS, 1977 AND 1978 CROPS

Item	1977			
	An-nounced	Re-vised <sup>1</sup>	1977 Act	1978
Dollars per bushel				
Loan levels:				
Wheat ..	2.25	2.25	2.25	<sup>2</sup> 2.35
Corn ...	1.75	2.00	2.00	<sup>2</sup> 2.00
Grain				
sorghum	1.70	1.90	<sup>3</sup> —	<sup>3</sup> —
Barley ..	1.50	1.63	<sup>3</sup> —	<sup>3</sup> —
Oats ....	1.00	1.03	<sup>3</sup> —	<sup>3</sup> —
Rye ....	1.50	—	—	<sup>3</sup> —
Target prices:				
Wheat ..	2.47	—	2.90	<sup>4</sup> 3.00 or 3.05
Corn ...	1.70	—	2.00	2.10
Grain				
sorghum	1.62	—	<sup>5</sup> —	<sup>5</sup> —
Barley ..	1.39	—	<sup>5</sup> —	<sup>5</sup> —
Oats ....	—	—	<sup>5</sup> —	<sup>5</sup> —

<sup>1</sup> As revised by the Administration on Aug. 31, 1977. <sup>2</sup> The price support loan level may be adjusted downward by a maximum of 10 percent for the next crop year if the national average price received by producers is not more than 105 percent of the current year's loan. <sup>3</sup> Set in fair and reasonable relation to corn. <sup>4</sup> If 1978 wheat production is above 1.8 billion bushels, the target will be \$3.00 per bushel; if production is 1.8 billion bushels or below, the target will be \$3.05 per bushel. <sup>5</sup> The target price for sorghum and, if designated, barley and oats, will be set in fair and reasonable relation to corn.



The target price for wheat from the 1978 crop will depend on the actual production level. If production is 1.8 billion bushels or less, the target price will be \$3.05 per bushel. However, if the 1978 wheat crop exceeds 1.8 billion bushels, the target price will be \$3.00 per bushel. For 1978, the corn target price is \$2.10 per bushel.

Target prices for sorghum and, if designated by the Secretary, barley and oats will be established at levels which are "fair and reasonable" in relation to the target established for corn.

In their report the House-Senate Conferees noted that the target price for corn was established under the Act at such rate as to cover certain components of the cost of production; therefore, "if target prices for the other feed grains are established using the same components of the cost of production, such target prices would be fair and reasonable in relation to the rate at which payments are made available for corn." The 1977 Act makes oats eligible for target price protection for the first time at the discretion of the Secretary.

Nonrecourse loans will continue to be available to wheat and feed grain producers. The basic minimum loan level for the 1978-81 wheat crops was set at \$2.35 per bushel. Corn's price support loan minimum for 1978-81 was established at a basic level of \$2.00 per bushel. The maximum loan level for wheat cannot exceed 100 percent of parity.

### **Variable Loan Concept Instituted**

Loan levels for wheat and feed grains may be adjusted downward in any marketing year if the average market price in the previous year falls to within 105 percent of the loan level. The adjustment is limited to a maximum of 10 percent per year, with a lower limit of \$2.00 a bushel for wheat and \$1.75 a bushel for corn. This variable loan concept is included to maintain domestic and export markets for grain.

### **Program Acreages Replace Allotments**

National program acreages for wheat, feed grains, and upland cotton will be determined by the Secretary and will represent the estimated acreage needed to meet domestic and export needs (less imports) plus any desired adjustments in stocks. The national program acreage for each crop will be determined by dividing the estimate of projected utilization by a national average program yield to give the needed harvested acreage.

Farm program acreages for deficiency payment purposes will be based on current plantings. This represents a significant departure from the prior law, which based farm allotments and bases on historical planting patterns. The allotment system for these crops is terminated beginning with the 1978 crop.

The Secretary is required to announce a tentative national program acreage by a specified date before the crop is planted. Before deficiency payments are made, a program acreage allocation factor will be calculated as the ratio of the final national program acreage to the Secretary's estimate of harvested acreage. Under terms of the Act, this allocation factor cannot be less than 80 nor greater than 100 percent, except for cotton, which has no lower limit for the allocation factor. Instead, for cotton, there is a lower limit on the national program acreage of 10 million acres.

### **New Basis for Set-Aside Program Announced**

Paralleling changes in the allotment system are changes in the provisions for set-aside programs. As in previous legislation, the new law extends to the Secretary of Agriculture the authority to implement set-aside if he determines supplies are likely to be excessive. However, instead of being based on a percentage of historical allotments, set-aside in any year will be based on

a farmer's acreage planted for harvest in that year.

The 1977 Act authorizes the concept of a normal crop acreage for an entire farm. USDA's Agricultural Stabilization and Conservation Service State committees will designate normal crop acreages for farms within a State within guidelines specified by the Secretary. When set-aside requirements for a crop planted on the farm are in effect, a farm's acreage planted to designated crops plus any set-aside cannot exceed the established normal crop acreage in order for the farm to be eligible for program benefits.

A farmer's acreage eligible for deficiency payments will be determined by multiplying his acreage planted for harvest by the allocation factor. Under previous legislation, the national allotment was apportioned to the States, then to counties within the States, then to individual farms on the basis of an historical pattern. The historical farm allotment was the basis for production adjustment and payment programs.

### **Higher Payment Limits Set**

For wheat, feed grains, and upland cotton, the 1977 Act raises the payment limit from \$20,000 to \$40,000 for the 1978 crop and \$45,000 for the 1979 crop. For rice producers, the payment limit is decreased from the present \$55,000 to \$52,250 in 1978 and \$50,000 in 1979. For 1980 and 1981 crops, the payment limit for wheat, feed grains, upland cotton, and rice combined will be \$50,000. Payments for disaster loss will be excluded from the payment limitation beginning in 1978.

### **Disaster Program Extended 2 Years**

The disaster payment program was extended with revisions for 2 additional years to allow more time to develop and evaluate a comprehensive approach to disaster protection for agriculture. Prevented planting and low-yield provisions were extended through the 1979 crop year and revised to be more equitable among crops and among producers.

### **Other Provisions**

Other legislative provisions in the 1977 Act also affect commercial agriculture. Food stamp and P. L. 480 program provisions will influence farm prices and incomes to the extent that changes in these programs change the demand for farm commodities.

Eliminating the food stamp purchase requirement is a significant change in that program, although there is no consensus on the impact that this change may have on

### ***New Farm Bill Is Described . . .***

The new farm legislation, signed by President Carter on September 29, is directed toward the 1978-81 crops, but also makes some changes in the support and low-yield disaster programs for 1977 wheat and feed grain crops.

*Summarized in Commodity Program Provisions Under the Food and Agriculture Act of 1977* are the details relating to price supports, loan levels, disaster payments, and program acreages for wheat, feed grains, cotton, rice, peanuts, soybeans, sugar, dairy products, and wool and mohair. Miscellaneous provisions and those applying to grain reserves and to the beekeeper indemnity program are also discussed. The report has examples of how some of the major provisions will work.

Copies of the report, AER 389, are available free on postcard request (please include your zip code) from ERS Publications, Room 0054-S, U.S. Department of Agriculture, Washington, D.C. 20250, or by telephone request (202) 447-7255.

food consumption and, thus, the demand for agricultural products.

Changes in income levels for recipient countries under P. L. 480 programs may alter the number of countries receiving aid as well as the quantity of farm products shipped.

On the supply side, the added emphasis placed on agricultural research, extension, and education, as well as required small farm research, may indirectly affect agricultural production and rural communities through changes in technology and education.

### Proposals Announced for 1978 Wheat Program

USDA has proposed program details for the 1978 wheat crop and has asked for comments by November 14. Several program intentions including set-aside, target prices, and loan rates announced August 29 (USDA press release 2444-77) became effective on September 29 with enactment of the 1977 Act. That release announced USDA's intention for a 20-percent set-aside on the 1978 crop of wheat. Based on estimated wheat demand and a proposed national average program yield, the preliminary national program acreage for the 1978 wheat crop would be 58.7 million acres, compared with 66.6 million acres expected to be harvested in 1978. This national program acreage will be subject to revision as more information becomes available. The program allocation factor will be calculated after the 1978-crop plantings are determined, a procedure proposed to the August 1978 *Crop Production* report.

A farm's normal crop acreage will be the total number of acres of the following designated crops planted for harvest in 1977: barley, corn, dry edible beans, flax, oats, rice, rye, sorghum, soybeans, sugarbeets, sugarcane, sunflowers, upland cotton, and wheat. In the 1978 set-aside program, a farmer's planted acreage plus the acres set aside cannot exceed the normal crop acreage.

These and other proposed provisions are described in USDA press release 2961-77 available from the Press Division, USDA, Room 403-A, Administration Bldg., Washington, D.C. 20250, or phone (202) 447-6114.

### Grazing Fee Recommendation Sent to Congress

Secretaries of Interior and Agriculture have recommended an upward adjustment in fees charged for domestic livestock grazing on public land to bring them up to fair market value over the next few years.

The recommendations comply with Congressional policy in the Federal Land Policy and Management Act of 1976 that the Government receive fair market value for use of the public lands and their resources.

Both Secretaries noted that the fee system recommended in their report calls for an increase in 1978 as a first step in a phased process for reaching fair market value. Under the proposed system, a 25-percent limit is placed on any increase until the fair market value is reached. Thereafter, no annual adjustment would exceed 12 percent.

If the recommendations for the 1978 Public Land Fee System are adopted, the fee for both agencies would be set at \$1.89 per AUM (Animal Unit Month) for the 1978 grazing season. Fair market value for 1978 is determined to be \$2.38. An AUM is the equivalent of one cow grazing for 1 month.

The recommendations apply to livestock grazing in the 11 contiguous Western States on lands administered by the Forest Service and by the Bureau of Land Management.

About 25,000 operators now hold permits for grazing an estimated 8 million head of livestock on public land. AUM's allowed by the two agencies total 19 million. The permits specify the location, duration, and number of livestock each permit holder can graze on the public lands.

The study indicates that some 72 percent—approximately 18,000 operators—would have a \$60 average increase in their 1978 grazing fee bill, but if fair market value were to be achieved in 1978, a \$135 increase over 1977 fees would be necessary. Conversely, some 1.5 percent—approximately 380 of the largest operators—would have a \$3,800 average annual increase in their 1978 grazing fee bill. Again, were the fair market value to be reached in 1978, their fee would be \$9,000.

It is anticipated that grazing fee collections for 1977 will amount to \$28 million. Implementation of the new fee system for 1978 will mean an approximate \$6 million increase in fee collections.

Even though there will be an economic impact on individual operators at a difficult time for the livestock industry, the Secretaries said the recommendations are intended to resolve a long-standing issue as equitably as possible.



## World Agriculture and Trade

Much uncertainty continues to surround prospects for U.S. agricultural exports in fiscal 1978. The final outcome of 1977 crops, especially in the Southern Hemisphere, and Soviet decisions regarding grain stocks maintenance or buildup will have a major impact on exports.

Another large world grain harvest and forecasts of only modest economic expansion in most developed countries support expectations that the value of U.S. farm product exports will decline somewhat from fiscal 1977. Although grain export volume is expected to slip, the anticipated drop in overall value will primarily reflect lower export prices for grains, soybeans, and oil-seed products.

### Grain Trade Picture Improves Slightly

The 1977/78 world crop of wheat, coarse grains, and rough rice, forecast at 1,436 million tons, is still expected to drop only slightly below last year's record. Wheat production is likely to be down about 6 percent, but coarse grains will be up around 1 percent and rice about 3 percent. Although world grain use projections have been revised marginally upward, they indicate that consumption may fall about 10 million tons



short of production, thus adding to stocks. Lower wheat stocks will be more than offset by a buildup in holdings of coarse grain and rice.

The forecast of world grain trade has been raised slightly to 167 million tons, 6 million above the 1976/77 level, as feed use remains strong and international market prices continue to reflect large world crops.

Expectations for the 1977/78 USSR grain crop have been lowered slightly since the last issue, and total Soviet grain imports are now set at 13 million tons. However, uncertainty will continue until a firmer estimate of the Soviet grain crop is available and until more is known about Soviet intentions regarding desired stocks levels in view of current low world grain prices.

The estimate of Canadian wheat exports has been revised upward by 2 million tons based on the large sale to the USSR in late September and on an increased production estimate. The 1977/78 Canadian wheat crop is now expected to total about 18 1/2 million tons. However, cool, wet weather has continued to hamper the harvest and to cause serious deterioration in quality and grade in some areas.

Although crop prospects for coarse grains have recently improved in North America as well as Western Europe, drought conditions have reduced estimates of Argentine wheat and Australian wheat and coarse grains harvests.

#### WORLD SUPPLY AND USE OF GRAIN<sup>1</sup>

Commodity	1975/76	1976/77 Estimated	1977/78 Forecast
	Mil. metric tons		
Wheat:			
Production . . . . .	349.3	412.5	385.9
Exports . . . . .	73.1	63.6	74.9
Consumption . . . . .	352.3	375.7	394.0
Ending stocks . . . . .	59.6	96.3	88.2
Coarse grains: <sup>2</sup>			
Production . . . . .	634.4	690.4	699.1
Exports . . . . .	88.7	85.2	80.1
Consumption . . . . .	634.1	671.1	681.9
Ending stocks . . . . .	52.4	71.7	88.9
Total grains: <sup>3</sup>			
Production . . . . .	1,337.2	1,443.4	1,436.0
Exports . . . . .	173.6	161.2	167.3
Consumption . . . . .	1,331.2	1,390.5	1,424.4
Ending stocks . . . . .	138.6	191.2	202.8

<sup>1</sup> Data based on aggregate of differing local marketing years. <sup>2</sup> Includes corn, sorghum, barley, oats, rye, millet, and mixed grains. <sup>3</sup> Total includes rice.

The revisions in the world trade projection and the Soviet crop and recent developments affecting some major exporters have not changed expectations that a rise in U.S. wheat exports in 1977/78 will be offset by smaller coarse grain shipments. With lower world market prices, the value of U.S. grain exports will drop from 1976/77's \$9.3 billion.

#### Larger Supplies and Lower Prices Seen For 1978 Oil and Meal

The expected large U.S. soybean crop points to expanded world supplies of protein meals and oils. World oilmeal production for 1978 is forecast at about 78 million metric tons, soybean meal equivalent. This is well above the 1977 level and over 5 million tons above the current record set in 1976.

The U.S. crop will likely account for about 43 percent of the world total. Gains are also expected in Brazilian and Argentine soybeans, Canadian rapeseed, and Soviet and South African sunflowerseed.

The 1978 preliminary projection of world output of vegetable, animal, and marine oils and fats is set at about 53 million tons—over 5 million tons above 1977's reduced volume and around 3 1/2 million above 1976's record.

The sharp price declines since early spring for soybeans and soybean products, as well as for other oilseeds and products, were apparently in anticipation of the large U.S. harvest. Prices are expected to continue lower than last year despite increased consumption.

World fats and oils exports are forecast to rise 1.1 million tons above the estimated 1977 volume—double the annual rate of increase for 1965-75 but half the gain registered in 1976. With the continued increases in hog and poultry feeding, demand for pro-

tein meals is likely to be up in both Western Europe and Japan.

With larger U.S. supplies and lower prices, U.S. soybean exports will probably continue to expand in fiscal 1978. The USSR may take about a million tons of U.S. soybeans. However, U.S. exports of meal and oil could drop. U.S. soybean oil exports will depend to a considerable extent on the continuation of India's 1977 level of imports. Program activity for food aid is also a major factor for U.S. vegetable oil shipments, especially in periods of lower prices. *Dewain H. Rahe, (202) 447-8260.*

#### Panama Canal Important to U.S. Ag

**Trade . . .** U.S. food and fiber producers have a big stake in current treaty developments over the Panama Canal. The Canal is an important link in U.S. agricultural trade, and of major concern are arrangements that will avoid disruptions and keep the waterway both open to U.S. shipping and economical to use.

Last year, 1 out of every 5 tons of U.S. farm product exports moved through the Canal. This included 18 percent of U.S. corn exports, 26 percent of our soybean exports, and 45 percent of sorghum exports. Of the 20 million tons of U.S. agricultural exports shipped via the waterway, over 12 million was bound for Japan, our largest single-country market.

Rerouting grain shipments around Cape Horn could almost double transportation costs and would sharply extend shipping time. Rerouting Midwest grains and soybeans overland to the West Coast would not only be very costly, but the increased volume could not be handled by existing transportation and port facilities.

The new treaties—one guaranteeing the permanent neutrality of the Canal, the other governing its operation and defense—were signed on September 7 and must be ratified by the U.S. Senate. Panama ratified the treaties in a national plebiscite on October 23.

If the treaties are accepted, the United States will be responsible for Canal operations, including tolls, until the year 2000 when U.S. military presence will end. Panama will assume general territorial jurisdiction over the Canal Zone at the treaties' start and will assume the primary defense role in 2000. The treaties also raise Panama's share of Canal revenues and commit both signatories to jointly study the feasibility of a new sea-level canal.

#### Continued Growth Seen for Mideast Markets . . .

U.S. exports of agricultural commodities to Mideast countries are expected to reach a record \$2 billion in 1977, about 45 percent above 1976. Continued rapid growth in these markets is foreseen for the next 5 years—possibly in the range of 10 to 15 percent annually—until diets become more satisfactory. Consequently, U.S. farm product exports may reach \$2.6 to \$3.0 billion in 1978 and could rise to \$4 billion before 1985 if the U.S. share of one-fifth of the Mideast market for agricultural products increases.





## Evolution of an Outlook Conference

It was hot work, in more ways than one, for the 20 men gathered in the USDA Conference room late in April 1923. Theirs was the responsibility for analyzing the U.S. Department of Agriculture's first report on farmers' planting intentions and indicating whether or not these intentions were in line with prospective demand in the coming year. In at least one case they spotted an impending trouble spot, reporting probable demand for tobacco was insufficient to justify the contemplated 10-percent boost in planted acreage.

While some of the men at that first conference may have had an inkling that their deliberations were going to have a far-reaching impact, it is doubtful any of them expected that 53 years later their efforts would still be reflected in USDA's annual Food and Agricultural Outlook Conference.

This year's conference gets underway in Washington, D.C. on November 14. While the early outlook conferences were held behind locked doors in anticipation of the effect this intelligence would have on the commodity markets, the present conference is completely open to the public. In fact, attendance has swelled to well over 1,000 people, representing a broad cross section of groups interested in or involved with the U.S. food and fiber sector.

The character of the conference has been changed too, to include more information on consumer concerns and world developments affecting U.S. agricultural trade. Other topics added to this year's conference are natural resources and the environment, and the weather outlook.

But despite these changes in scope and structure, the basic goal of the conference has remained much the same down through the years. President Coolidge, keynoting the 1925 Outlook Conference report, summed up the purpose rather well:

"Inasmuch as orderly production is a necessary preliminary to orderly marketing, the well-informed farmer must keep himself posted, months in advance, concerning the probable production of various (commodities) during the coming season, as well as the probable requirements of the market."

Almost from the first conference, pressure grew to provide more localized outlook information to supplement the national conference report. The early outlook researchers were aware that farmers were interested not only in the total national outlook, but also how it applied to their individual localities and their individual farms. "We can pass the buck on down to individual farmers and tell them they will have to figure that all out for themselves," commented one of these early outlookers, "or we can develop the outlook program to the point where we can answer those questions."

There was no desire within USDA to pass the buck. So shortly after the national conference was established, USDA began seeking ways to incorporate more input from agricultural economists working in the field.

The first report was drawn up by a group of nationally known economists and statisticians from outside the Department. The second year, the Outlook conference was continued as a department affair, with no outside experts sitting on the committee. But efforts were made to include economists from the States who could bring their knowledge of local conditions to bear upon the final revision of the national reports and who also had the responsibility for local adaptation of outlook information.

Regional conferences—to adapt national outlook information to local conditions—were first begun in 1929. The annual agricultural outlook report released in February of that year contained separate summaries for the East, the Midwest, the Far West, and the Southeast. That same year a regional outlook conference was held at Athens, Ga. However, it wasn't until the 1950s, that regional conferences really caught on under

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the joint sponsorship of the land grant universities and USDA. Today regional outlook workshops for extension and USDA personnel are conducted every year in all the major farming regions of the United States.

One of the greatest forces in changing the character of the national Agricultural Outlook Conference was the growth of a year-round outlook service—providing an even flow of outlook material throughout the entire year instead of bunching it into one annual effort.

Starting in the 1920s, USDA began the publication of mimeographed, monthly economic notes containing commodity reviews and forecasts. These reviews grew into a printed monthly entitled "Agricultural Situation." But with a need for even more detail about key segments of the agricultural economy, these "situation reviews" were expanded into separate reports in the 1930s. These reports have continued to this day, and now cover more than 20 subjects.

Also in the 1930s, the scope of the annual outlook conference was broadened to include discussion of the significance of economic and other information for farm-home management planning, with the consideration of the adjustments that might be made.

Year by year, the family living component of the conference has grown in importance as the target audience has been broadened to include families in urban as well as rural residential areas. In fact, this year the conference's name itself has been changed to the *Food and Agricultural Outlook Conference* in recognition of the current outlook's critical implications for U.S. families' diets, energy use, credit and housing needs, and related subjects.

#### **November Situation Report Schedule . . .**

Situation reports which will be released by USDA's Outlook and Situation Board this month include:

Title	Off Press
Fruit	Nov. 7
Feed	Nov. 9
Ag Supply & Demand	Nov. 11
Export Outlook	Nov. 14
Wheat	Nov. 16
Ag Finance Outlook	Nov. 17
Livestock & Meat	Nov. 18
Cotton & Wool	Nov. 30

Single copies of the above reports may be obtained by writing to: ERS Publications Unit, Room 0054, South Building, USDA, Washington, D.C. 20250.



#### **Who's Who at the Outlook Conference Today**

Last year's outlook conference drew well over 750 people from outside the U.S. Department of Agriculture. A breakdown of registrants' occupations shows that the Conference is an important vehicle for distributing outlook intelligence to the business community as well as to representatives of foreign governments in this country.

Occupation	Percent of total
Individuals (most commonly listed as economist, consultant, business analyst, research director, etc.)	26
Business firms and associations	21
University personnel	21
Foreign embassies and government representatives	10
U.S. Government (other than USDA)	6
Press	6
Financial institutions	5
Members of Congress and staffs	4
State Departments of Agriculture	1

USDA's Economic Research Service publishes a number of statistical supplements, handbooks, and other periodicals, which may be of interest to Agricultural Outlook readers. A brief description of several of these reports and their contents follows:

#### **Agriculture In The Third**

**Century**, issued several times a year as new data become available. Summarizes results of ERS Economic Projections Program, including national and regional projections of U.S. food and fiber production, use, and trade through 1985 for major commodities.

**Agricultural Statistics**, a comprehensive statistical report, about 630 pages, containing current historical agricultural data. Revised annually. Purchase for \$5.60 from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Make check or money order payable to the Superintendent of Documents.

#### **Handbook of Agricultural**

**Charts**, single copies free on request. Provides charts with accompanying data that cover key factors in the economic situation and outlook for agriculture. Revised annually.

**Agricultural Slide Series**, a set of more than 200 full-color slides of all charts contained in the *Handbook of Agricultural Charts*. Designed for teachers, lectures, meetings, and exhibits. Price: \$35.00. Order from: Photography Division, Office of Communication, USDA, Washington, D.C.

**HOW TO ORDER:** Periodicals listed above are available from the Government Printing Office, (GPO), unless noted otherwise. To order, send a check or money order to the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Make checks payable to Superintendent of Documents; do not send currency or stamps. To speed delivery, include a self-addressed mailing label.



## Recent Publications

Below is a list of selected USDA publications, listed by subject area, which may be of interest to our readers. To order reports you will need to write directly to the issuing agency (indicated in parentheses after each report citation) at the address listed below. Be sure when ordering to list the publication number and provide your zipcode.

### ERS Reports:

The publication order form provided on the inside back cover shows the publication numbers for ERS reports listed below. Simply circle those you would like to receive and mail to ERS Publications, Room 0054 South Building, U.S. Department of Agriculture, Washington, D.C. 20250

### FAS Reports:

FAS Information, Room 5918 South, U.S. Department of Agriculture, Washington, D.C. 20250

### COMM Reports:

Office of Communications, Publications, U.S. Department of Agriculture, Washington, D.C. 20250

### State Reports:

Publications issued by a State Crop and Livestock Reporting Service may be obtained by writing the address shown in parentheses. No copies are available from the U.S. Department of Agriculture.

### New report listings, by subject matter:

#### Coffee

World Coffee Production for 1977/78 Down Slightly. FCOF 4-77 (FAS)

#### Cotton

1976/77 Cotton Exports Expand 44 Percent. FC 18-77 (FAS)

#### Energy

Energy and U.S. Agriculture: Irrigation Pumping. 1974. AER-376 (ERS)

#### Foreign Agriculture

Angola's Agricultural Economy in Brief. FAER 139 (ERS)

#### Fruits

Compatibility of Fruits and Vegetables During Transport in Mixed Loads. MRR-1070 (COMM)

Southern Hemisphere Citrus Production and Exports Near Last Season's Record Highs. FCF 3-77 (FAS)

#### Grains

Developments in the Grain Sector of Indian Agriculture. FG-15-77 (FAS)

Poor Grain Crops in Iran, Iraq and Syria Would Boost Imports. FG-17-77 (FAS)

The U.S. Cash Grain Trade in 1974: Participants, Transactions, and Information Sources. AER-386 (ERS)

USDA Forecast of 1977 Soviet Grain Production, Utilization, and Trade Revised. FG-20-77 (FAS)

World Consumption of Grain as Livestock Feed. FG-14-77 (FAS)

#### Income

Balance Sheet of the Farming Sector. AIB-411 (ERS)

#### Livestock and Meat

Grades of Fed Beef Carcasses, November 1973-October 1974. MRR-1073 (COMM)

Outlook for World Meat Production and Trade: Record Production Seen. FLM 13-77 (FAS)

U.S. Exports of Livestock Products Exceed Imports Again in July. FLM-MT 17-77 (FAS)

#### Oilseeds

U.S. Trade in Oilseeds and Products declines in July. FOP-17 (FAS)

World Production of Meals and Oils to Recover Sharply in 1978. FOP 18-77 (FAS)

#### Marketing

Forecasting Retail Values and Spreads for the Market Basket of Farm Foods. TB-1578 (ERS)

#### Milk

Federal Milk Order Market Statistics—Annual Summary for 1976. SB-575 (COMM)

#### Population

Farm Population Estimates for 1976. AER-383 (ERS)

#### State Statistics

California Grapes, Raisins, and Wine (1976)—Production and Marketing. (Available only by writing California Crop and Livestock Reporting Service, P.O. Box 1258, Sacramento, Calif. 95806.

#### Sugar

World Supply and Distribution 1954/55-1973/74. SB-562 (COMM)

#### Tea

World Tea Production Up in 1977. FTEA 3-77 (FAS)

#### Transportation

Highway and Railroad Equipment for Transporting Perishables in Europe. MRR-1061 (COMM)

Water Carriers and Inland Waterways in Agricultural Transportation. AER-379 (ERS)



# Statistical Indicators

## Farm Income

### Gross and net farm income<sup>1</sup>

Items	First Half			1975				1976				1977		
	1975	1976	1977	I	II	III	IV	I	II	III	IV	I	II	III <sup>p</sup>
	\$ Bil.													
Cash receipts from farm marketings . . . . .	84.6	96.7	97.4	79.7	89.5	94.1	89.0	93.0	100.4	91.5	92.4	95.9	99.0	87.7
Livestock and products . . . . .	40.0	47.3	46.6	37.0	43.1	45.3	46.7	46.3	48.3	45.5	45.4	45.3	48.0	46.2
Crops . . . . .	44.6	49.4	50.8	42.7	46.4	48.8	42.3	46.7	52.1	46.0	47.0	50.6	51.0	41.5
Nonmoney and other farm income <sup>2</sup> . . . . .	8.0	9.2	9.8	7.7	8.4	9.2	9.1	9.1	9.2	9.4	9.5	9.7	9.8	10.2
Realized gross farm income . . . . .	92.6	105.9	107.2	87.4	97.9	103.4	98.1	102.1	109.6	100.9	101.9	105.6	108.8	97.9
Farm production expenses . . . . .	74.0	81.6	85.1	72.4	75.7	78.8	76.7	79.1	84.2	82.3	81.2	83.1	87.1	81.7
Farmers' realized net income . . . . .	18.6	24.3	22.1	15.0	22.2	24.6	21.4	23.0	25.4	18.6	20.7	22.5	21.7	16.2
Net change in farm inventories . . . . .	2.8	-1.8	-6	4.0	1.5	2.9	5.5	-1.5	-2.2	-1.0	-2.7	-5	-7	.5
Farmers' total net income . . . . .														
Current prices . . . . .	21.4	22.5	21.5	19.0	23.7	27.5	26.9	21.5	23.2	17.6	18.0	22.0	21.0	16.7
1967 prices <sup>3</sup> . . . . .	13.1	13.0	11.6	11.7	14.5	16.3	15.7	12.5	13.3	9.9	10.0	12.0	11.2	8.8

<sup>1</sup> Quarterly data are seasonally adjusted at annual rates. All data revised July 1977. <sup>2</sup> Includes government payments to farmers, value of farm products consumed in farm households, rental value of farm dwellings, and income from recreation, machine hire, and custom work. <sup>3</sup> Deflated by the index of prices paid by farmers for family living items on a 1967 base. In 1977 movement is based on the overall change in the consumer price index. p. Preliminary.

### Cash receipts from farming

Items	January-June			1976	1977					
	1975	1976	1977	Aug	Mar	Apr	May	June	July	Aug
	\$ Mil.									
Farm marketings and CCC loans <sup>1</sup> . . . . .	36,199	41,672	42,169	7,562	6,842	6,522	6,814	7,252	7,427	7,385
Livestock and products . . . . .	19,636	23,226	22,895	3,800	3,950	3,792	4,004	3,888	3,743	4,065
Meat animals . . . . .	11,574	13,717	13,242	2,129	2,309	2,161	2,326	2,201	2,054	2,369
Dairy products . . . . .	4,791	5,782	5,864	968	981	996	1,042	1,022	1,006	1,003
Poultry and eggs . . . . .	3,014	3,412	3,509	659	620	583	582	614	634	646
Other . . . . .	257	315	280	44	40	52	54	51	49	47
Crops . . . . .	16,563	18,446	19,274	3,762	2,891	2,730	2,810	3,364	3,684	3,320
Food grains . . . . .	2,756	2,923	2,754	693	338	305	347	798	1,077	526
Feed crops . . . . .	4,888	5,749	5,481	992	831	657	722	875	890	743
Cotton (lint and seed) . . . . .	961	908	847	62	84	109	34	26	18	92
Tobacco . . . . .	289	341	410	423	92	32	13	5	—	464
Oil-bearing crops . . . . .	2,465	3,192	4,304	509	651	625	703	642	555	359
Vegetables and melons . . . . .	1,998	2,209	2,290	565	358	404	443	450	497	568
Fruits and tree nuts . . . . .	1,381	1,396	1,471	276	219	232	254	361	381	323
Other . . . . .	1,825	1,728	1,717	242	318	366	294	207	266	245
Government payments . . . . .	490	255	399	71	106	48	25	24	25	45
Total cash receipts <sup>2</sup> . . . . .	36,689	41,927	42,568	7,633	6,948	6,570	6,839	7,276	7,452	7,430

<sup>1</sup> Receipts from loans represent value of loans minus value of redemptions during the month. <sup>2</sup> Details may not add because of rounding.

# Farm marketing indexes (physical volume)

Items	January-June			1976	1977					
	1975	1976	1977	Aug	Mar	Apr	May	June	July	Aug
	1967=100									
All commodities	95	105	106	116	103	97	100	113	118	120
Livestock and Products	102	107	110	109	114	109	113	112	104	115
Crops	85	102	101	126	87	80	81	114	138	126

## Cash receipts<sup>1</sup> from farm marketings, by States, January-August

State	Livestock and Products		Crops <sup>2</sup>		Total <sup>3</sup>	
	1976	1977	1976	1977	1976	1977
	S Mil. <sup>3</sup>					
NORTH ATLANTIC						
Maine	177.1	184.8	132.7	114.8	309.8	299.6
New Hampshire	38.2	39.0	12.9	13.5	51.2	52.5
Vermont	162.9	159.4	12.1	19.2	175.0	178.6
Massachusetts	73.9	74.8	58.0	58.5	131.9	133.3
Rhode Island	8.4	8.7	9.0	8.9	17.5	17.7
Connecticut	89.4	87.0	69.9	72.4	159.3	159.4
New York	826.5	802.3	268.7	292.9	1,095.2	1,095.2
New Jersey	73.6	71.7	136.5	154.6	210.1	226.3
Pennsylvania	860.8	880.5	295.7	324.9	1,156.5	1,205.4
NORTH CENTRAL						
Ohio	775.0	763.9	923.9	1,040.5	1,699.0	1,804.4
Indiana	910.5	897.4	967.7	1,057.0	1,878.1	1,954.4
Illinois	1,259.3	1,233.7	2,856.5	2,790.1	4,115.8	4,023.8
Michigan	548.2	544.7	549.5	540.7	1,097.7	1,085.4
Wisconsin	1,701.5	1,739.2	340.1	310.5	2,041.6	2,049.7
Minnesota	1,488.0	1,480.9	1,030.9	996.9	2,518.9	2,477.8
Iowa	2,692.4	2,637.8	1,890.2	2,030.9	4,582.6	4,668.7
Missouri	1,046.4	1,026.3	547.7	592.1	1,594.1	1,618.4
North Dakota	290.0	290.1	721.2	612.3	1,011.1	902.5
South Dakota	956.7	958.0	258.9	220.0	1,215.5	1,178.0
Nebraska	1,415.9	1,427.0	1,037.7	955.1	2,453.6	2,382.2
Kansas	1,344.5	1,294.6	1,060.7	1,185.3	2,405.2	2,479.9
SOUTHERN						
Delaware	121.4	121.2	37.9	39.9	159.3	161.0
Maryland	284.3	291.5	107.1	125.6	391.3	417.2
Virginia	359.1	374.9	176.8	177.8	535.9	552.7
West Virginia	63.3	65.1	18.5	22.7	81.7	87.8
North Carolina	718.3	736.3	646.9	602.9	1,365.2	1,339.2
South Carolina	186.8	183.3	288.5	302.4	475.3	485.7
Georgia	791.3	802.2	495.0	424.5	1,286.3	1,226.7
Florida	464.6	480.2	1,365.4	1,279.8	1,830.1	1,759.9
Kentucky	475.1	478.5	363.9	476.1	838.0	954.6
Tennessee	455.9	461.2	195.1	233.0	651.0	694.2
Alabama	685.2	685.3	245.3	255.2	930.6	940.6
Mississippi	453.8	467.0	337.4	319.9	791.2	786.9
Arkansas	708.2	733.4	488.6	471.2	1,196.8	1,204.6
Louisiana	274.1	277.3	291.5	263.0	565.6	540.3
Oklahoma	833.5	842.3	410.7	522.5	1,244.2	1,364.8
Texas	2,149.6	2,129.1	1,579.2	1,619.5	3,728.8	3,748.5
WESTERN						
Montana	162.6	161.3	326.8	288.3	489.4	449.6
Idaho	297.3	292.8	400.7	336.5	698.0	629.3
Wyoming	121.3	116.7	31.1	29.0	152.4	145.7
Colorado	903.4	901.0	284.8	277.3	1,188.2	1,178.3
New Mexico	239.9	237.3	91.5	104.2	331.5	341.6
Arizona	376.9	384.7	382.1	394.0	759.1	778.8
Utah	171.1	167.2	55.1	50.9	226.2	218.0
Nevada	53.6	53.3	22.4	26.9	76.0	80.2
Washington	353.0	351.4	677.3	643.9	1,030.3	995.3
Oregon	232.0	228.2	382.1	355.4	614.1	583.6
California	2,011.8	2,032.5	3,114.6	3,071.1	5,126.4	5,103.6
Alaska	2.7	2.8	1.8	1.7	4.5	4.5
Hawaii	42.0	43.1	173.8	171.3	215.7	214.5
UNITED STATES						
Grand Total	30,731.7	30,702.8	26,171.3	26,277.5	56,903.0	56,980.4

<sup>1</sup> Estimates as of the first of current month. <sup>2</sup> Sales of farm products include receipts from loans reported minus value of redemptions during the period. <sup>3</sup> Rounded data may not add.

## Farm Production<sup>1</sup>

Items	1970	1971	1972	1973	1974	1975	1976	1977 <sup>2</sup>
1967=100								
Farm output .....	101	111	110	112	108	114	117	120
All livestock products <sup>3</sup> .....	105	108	108	105	106	101	106	108
Meat animals .....	108	112	110	108	110	102	106	108
Dairy products .....	100	101	102	98	98	98	103	105
Poultry and eggs .....	106	107	109	106	106	103	110	111
All crops <sup>4</sup> .....	101	112	113	120	109	121	122	127
Feed grains .....	89	116	112	115	93	114	119	123
Hay and forage .....	99	105	104	109	104	108	102	106
Food grains .....	91	107	102	113	122	142	140	131
Sugar crops .....	114	116	127	112	104	131	131	117
Cotton .....	139	145	187	175	158	112	142	179
Tobacco .....	97	86	88	88	101	110	108	96
Oil crops .....	117	121	131	155	127	153	130	163
Cropland used for crops .....	98	100	98	104	106	108	109	110
Crop production per acre .....	104	112	115	115	103	112	112	115

<sup>1</sup> Prepared jointly by Economic Research Service and Statistical Reporting Service. For historical data and explanation of indexes, see "Changes in Farm Production and Efficiency," Statistical Bulletin 561. <sup>2</sup> Preliminary indexes for 1977 based on October 1977 "Crop Production" and other releases of the Crop Reporting Board, SRS. <sup>3</sup> Gross livestock production includes minor livestock products not included in the separate groups shown. It cannot be added to gross livestock production to compute farm output. <sup>4</sup> Gross crop production includes some miscellaneous crops not in the separate groups shown. It cannot be added to gross livestock production to compute farm output.

## Farm Prices: Received and Paid

Indexes of prices received and paid by farmers, U.S. average\*

Items	January-June average			1976	1977					
	1975	1976	1977	Sept	Apr	May	June	July	Aug	Sept
1967=100										
<b>Prices Received</b>										
All farm products .....	180	189	188	186	191	194	184	180	175	173
All crops .....	202	196	206	204	214	214	198	182	173	168
Food grains .....	242	223	154	185	157	148	139	138	147	149
Feed grains and hay .....	235	221	204	226	206	202	189	167	149	146
Feed grains .....	237	219	196	223	199	192	180	158	140	138
Cotton .....	158	246	290	287	301	298	272	281	271	262
Tobacco .....	166	158	173	177	174	174	174	152	176	194
Oil-bearing crops .....	205	180	282	239	314	319	287	237	199	177
Fruit .....	140	132	139	130	141	165	156	151	169	176
Fresh market <sup>1</sup> .....	138	131	134	128	136	164	156	147	170	179
Commercial vegetables .....	163	159	195	164	191	170	154	158	155	158
Fresh market .....	176	171	219	177	199	185	159	167	162	167
Potatoes <sup>2</sup> .....	192	232	202	157	203	244	235	241	220	171
Livestock and products .....	160	183	173	172	172	176	173	179	177	177
Meat animals .....	157	181	166	160	165	175	170	176	173	170
Dairy products .....	163	190	188	195	187	185	186	189	193	196
Poultry and eggs .....	170	177	178	180	177	168	166	176	170	173
<b>Prices Paid</b>										
on commodities and services, .....										
Interest, taxes, and wage rates .....	178	191	202	193	204	204	204	203	202	201
Production items .....	179	193	201	194	204	205	203	201	199	197
Feed .....	189	186	201	200	204	205	198	183	170	164
Feeder livestock .....	124	162	156	142	166	166	154	161	162	161
Interest payable per acre on farm real estate debt .....	271	303	328	303	328	328	328	328	328	328
Taxes on farm real estate .....	166	176	186	176	186	186	186	186	186	186
Wage rates (seasonally adjusted) .....	190	211	226	213	224	224	224	231	231	231
Production items, interest, taxes, and wage rates .....	184	199	209	200	211	212	210	208	206	206
Prices received (1910-14=100) .....	449	472	470	466	477	484	461	451	438	432
Prices paid, etc. (Parity index) (1910-14=100) .....	603	650	686	657	692	695	692	690	686	685
Parity ratio .....	74	72	69	71	69	70	67	65	64	63

\* Fresh market for noncitrus and fresh market and processing for citrus. <sup>2</sup> Includes sweetpotatoes and dry edible beans. <sup>3</sup> Historical data in SRS report *Agricultural Prices, Annual Summary 1976*.



# Prices received by farmers, U.S. average\*

Commodities	January-June average			1976	1977					
	1975	1976	1977	Sept	Apr	May	June	July	Aug	Sept
<b>Crops</b>										
All wheat (\$/bu.)	3.63	3.52	2.32	2.88	2.37	2.19	2.03	2.04	2.13	2.17p
Rice, rough (\$/cwt.)	11.08	7.12	6.99	6.56	6.95	7.30	7.24	6.87	8.02	7.82p
Corn (\$/bu.)	2.77	2.54	2.28	2.60	2.31	2.25	2.12	1.88	1.63	1.59p
Sorghum (\$/cwt.)	4.28	4.14	3.39	4.20	3.44	3.18	3.08	2.84	2.63	2.60p
All hay, baled (\$/ton)	51.90	56.50	63.40	60.80	63.20	68.10	61.30	56.80	52.50	50.00
Soybeans (\$/bu.)	5.47	4.83	8.03	6.65	9.05	9.21	8.21	6.60	5.42	4.81p
Cotton, Upland (cts./lb.)	35.6	5.55	65.4	64.5	67.8	67.2	61.1	63.1	60.9	58.9p
Potatoes (\$/cwt.)	3.57	4.83	4.12	3.21	4.10	5.20	4.77	5.14	4.56	3.49
Dry edible beans (\$/cwt.)	18.40	17.60	15.90	15.20	16.60	16.90	17.10	16.50	16.40	13.80
Apples for fresh use (cts./lb.)	12.6	8.5	11.7	13.2	12.1	12.0	12.1	13.4	12.7	13.3
Pears for fresh use (\$/ton)	178	209	121	146	112	117	133	140	116	181
Oranges, all uses (\$/box) <sup>1</sup>	1.71	1.73	1.76	1.89	2.03	2.40	2.66	2.27	2.92	3.08
Grapefruit, all uses (\$/box) <sup>1</sup>	1.82	1.34	1.27	.90	1.10	1.28	1.44	1.30	2.12	2.06
<b>Livestock</b>										
Beef cattle (\$/cwt.)	31.00	35.30	34.00	32.30	34.90	36.10	34.10	34.90	34.70	34.80
Calves (\$/cwt.)	26.40	35.70	36.40	32.90	38.10	38.50	36.00	36.60	37.10	38.30
Hogs (\$/cwt.)	41.20	47.50	38.80	39.70	36.00	40.70	41.90	44.90	42.80	40.20
Lambs (\$/cwt.)	41.30	51.90	50.80	41.80	51.00	55.50	51.20	50.70	49.00	51.20
All milk, sold to plants (\$/cwt.)	8.21	9.57	9.46	9.84	9.43	9.34	9.38	9.50	9.69	9.89p
Milk, manuf. grade (\$/cwt.)	7.04	8.51	8.53	8.65	8.66	8.60	8.55	8.58	8.64	8.80p
Broilers (cts./lb.)	24.5	24.4	23.8	22.8	24.3	24.3	24.7	26.2	23.9	24.0
Eggs (cts./doz.) <sup>2</sup>	50.9	55.6	56.9	61.4	55.3	49.1	46.8	50.7	51.5	52.6
Turkeys (cts./lb.)	31.2	32.2	33.3	30.7	33.6	33.2	33.9	33.7	33.7	34.3
Wool (cts./lb.) <sup>3</sup>	41.6	61.0	74.2	68.2	72.9	75.1	73.7	73.3	71.6	71.0

<sup>1</sup> Equivalent on-tree returns. <sup>2</sup> Average of all eggs sold by farmers, including hatching eggs and eggs sold at retail. <sup>3</sup> Average local market price, excluding incentive payments. p Preliminary. \* Historical data in SRS report *Agricultural Prices, Annual Summary 1976*.



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# Wholesale and Retail Prices

## Wholesale Price Index, U.S. average (not seasonally adjusted)

Commodity group	January-June average			1976	1977					
	1975	1976	1977	Sept	Apr	May	June	July	Aug	Sept
	1967=100									
All commodities	172.1	180.8	192.3	184.8	194.3	195.2	194.4	194.9	194.6	195.3
Industrial commodities	169.2	179.4	192.0	184.8	193.2	194.2	194.6	195.8	196.9	197.8
All foods <sup>1</sup>	183.8	180.8	185.4	176.6	187.0	190.5	188.0	189.1	187.3	186.8
Farm products and processed foods and feeds	180.1	183.7	191.4	182.9	195.9	196.8	191.5	189.3	184.2	183.9
Farm products	179.0	192.0	200.0	191.9	208.1	204.3	192.7	190.5	181.2	181.9
Fruits and vegetables <sup>2</sup>	180.2	183.9	202.3	180.2	205.6	201.8	176.2	182.0	176.4	182.8
Grains	226.1	215.0	177.9	205.5	184.4	171.2	157.7	153.3	142.5	144.2
Livestock	172.9	183.2	169.4	161.6	167.9	180.2	172.3	180.5	175.2	172.9
Poultry, live	176.2	173.2	177.1	164.9	182.3	183.1	182.7	193.7	176.1	181.7
Fibers, plant and animal	141.4	198.8	232.4	242.3	249.5	238.6	197.5	195.3	180.3	165.8
Milk	168.9	200.5	198.2	203.5	197.7	198.3	199.3	202.7	202.7	206.7
Eggs	153.5	169.7	168.1	188.9	165.2	144.4	141.4	156.6	162.0	163.3
Oilseeds	207.6	181.5	278.4	228.1	330.8	300.5	281.1	205.4	202.2	175.6
Processed foods and feeds	180.7	178.6	186.0	177.2	188.5	192.0	190.1	187.8	185.1	184.2
Meats	173.4	181.8	163.4	166.3	159.6	172.1	171.7	177.6	172.8	171.4
Beef and veal	165.7	162.8	151.9	148.0	151.7	162.5	154.8	160.6	158.9	156.5
Pork	189.3	212.9	183.0	194.2	167.7	184.6	197.3	206.2	193.5	191.7
Poultry	172.0	170.2	174.2	166.2	179.9	178.5	178.1	188.0	174.2	178.6
Fish	207.6	267.6	299.8	276.2	306.0	294.9	295.3	297.0	281.8	288.7
Dairy	149.1	167.1	170.6	170.5	173.6	174.2	174.3	175.1	175.3	175.7
Processed fruits and vegetables	170.7	167.3	183.6	172.1	185.6	185.8	187.8	188.5	190.1	191.2
Cereal and bakery products	179.6	174.1	170.8	169.7	171.6	172.0	171.3	172.0	172.1	172.8
Sugar and confectionery	291.0	203.1	179.5	167.3	186.4	184.4	176.3	172.7	180.2	174.3
Beverages	161.7	169.0	198.1	176.4	202.0	206.0	207.7	204.7	205.6	204.8
Vegetable oil and products	227.2	171.2	197.5	180.4	206.3	214.1	216.3	209.6	199.9	202.0
Textile products and apparel	135.6	146.9	152.6	149.0	153.7	154.0	154.4	154.4	154.4	155.1
Apparel	133.1	137.9	146.1	141.3	146.4	146.6	147.2	147.2	147.4	148.4
Hides, leather, and related products	145.2	164.4	178.4	173.6	180.1	181.9	179.7	180.3	180.5	179.9
Footwear	146.3	155.4	166.9	162.5	167.7	168.2	168.6	170.3	170.4	170.5
Lumber and wood products	173.8	199.2	227.2	212.8	229.6	229.3	228.7	235.5	242.7	252.4
Tobacco products	148.2	160.6	175.0	162.3	175.1	175.3	175.3	175.7	175.8	189.6

<sup>1</sup> Includes all processed food (except soft drinks, alcoholic beverages, and manufactured animal feeds) plus eggs and fresh and dried fruits and vegetables from farm products group. <sup>2</sup> Fresh and dried.

## Consumer Price Index, U.S. average (not seasonally adjusted)

Items	January-June average			1976	1977					
	1975	1976	1977	Sept	Apr	May	June	July	Aug	Sept
	1967=100									
Consumer price index, all items	158.3	168.1	178.8	172.6	179.6	180.6	181.8	182.6	183.3	184.0
Consumer price index, less food	154.3	164.7	175.7	170.0	176.3	177.3	178.4	179.2	179.9	180.9
All food	171.9	179.9	189.3	181.6	190.9	191.7	193.6	194.6	195.2	194.5
Food away from home	171.5	183.3	196.4	188.7	197.5	199.3	200.6	201.7	203.0	203.7
Food at home	172.0	179.1	187.6	179.9	189.3	189.8	191.9	192.8	193.2	192.2
Meats <sup>1</sup>	164.7	181.3	171.3	177.4	170.1	171.3	174.4	175.8	177.4	177.7
Beef and veal	161.0	167.0	162.2	162.3	161.2	162.8	164.8	164.2	164.0	164.1
Pork	173.9	205.0	183.3	200.7	181.7	182.0	187.0	192.0	196.8	197.6
Poultry	152.2	159.3	154.8	155.1	157.7	157.6	157.6	161.2	161.1	160.3
Fish	197.8	221.4	244.0	234.4	244.0	248.8	250.8	254.3	256.7	258.8
Eggs	156.4	165.8	174.2	182.3	166.0	152.8	141.0	163.6	166.2	166.6
Dairy products <sup>2</sup>	154.6	168.0	172.1	171.1	171.4	173.1	174.3	174.1	175.1	175.4
Fats and oils <sup>3</sup>	208.5	174.6	184.3	171.1	183.5	188.5	194.7	198.7	201.0	200.1
Fruits and vegetables	168.6	175.4	194.0	170.8	203.0	195.1	196.8	194.1	192.1	183.2
Fresh	162.9	168.9	200.1	163.6	214.3	200.8	202.1	197.1	193.4	177.6
Processed	177.2	185.0	184.8	181.4	186.1	186.7	188.9	189.7	190.2	191.5
Cereals and bakery products	187.1	181.0	181.5	180.4	182.6	182.5	182.8	183.3	182.7	184.9
Sugar and sweets	260.5	221.8	224.0	214.9	226.4	230.1	232.8	232.0	232.5	233.2
Beverages, nonalcoholic	176.4	197.6	302.1	227.6	311.4	334.6	348.7	348.3	347.4	346.2
Apparel commodities less footwear	139.1	142.6	148.4	147.8	148.6	149.7	150.2	149.6	151.1	152.6
Footwear	143.6	147.7	155.5	152.3	156.2	157.0	156.8	155.9	157.3	158.1
Tobacco products	153.0	159.5	166.0	160.6	166.1	166.2	166.4	167.2	167.4	170.0
Beverages, alcoholic	141.2	145.5	149.6	147.7	149.8	150.3	150.7	151.4	151.1	151.9

<sup>1</sup> Beef, veal, lamb, mutton, pork, and processed meat. <sup>2</sup> Includes butter. <sup>3</sup> Excludes butter.

# Farm-Retail Price Spreads

## Farm-retail price spreads

Commodities	January-June			1976		1977p				
	1975	1976	1977p	SePt	Apr	May	June	July	Aug	Sept
Market basket <sup>1</sup> :										
Retail price (1967=100)	169.5	176.0	177.9	174.8	179.1	178.0	179.3	180.4	180.8	179.7
Farm value (1967=100)	178.0	182.8	178.0	174.7	178.6	179.8	178.0	181.2	179.6	177.6
Farm-retail spread (1967=100)	164.0	171.7	177.9	174.8	179.4	176.9	180.1	179.9	181.6	181.0
Farmer's share (%)	41	40	39	39	39	39	39	39	39	38
Beef, choice:										
Retail price <sup>2</sup> (cts./lb.)	138.0	141.8	135.8	134.3	134.0	138.4	137.4	138.3	139.2	138.9
Carcass value <sup>3</sup> (cts.)	100.0	91.4	88.1	83.4	88.1	93.4	91.0	92.2	90.6	91.3
Net farm value (cts./2.28 lbs.)	88.2	80.4	77.4	72.3	78.6	82.8	79.9	81.3	79.1	80.2
Farm-retail spread (cts.)	49.8	61.4	58.4	62.0	55.4	55.6	57.5	57.0	60.1	58.7
Carcass-retail spread <sup>4</sup> (cts.)	38.0	50.4	47.7	50.9	45.9	45.0	46.4	46.1	48.6	47.6
Farm-carcass spread <sup>5</sup> (cts.)	11.8	11.0	10.7	11.1	9.5	10.6	11.1	10.9	11.5	11.1
Farmer's share (%)	64	57	57	54	59	60	58	59	57	58
Pork:										
Retail price <sup>2</sup> (cts./lb.)	118.8	140.0	121.2	132.7	118.9	120.9	125.7	132.1	134.0	130.8
Wholesale value <sup>3</sup> (cts.)	91.2	100.5	84.9	88.6	80.2	86.8	90.2	92.5	90.0	85.4
Net farm value (cts./1.97 lbs.)	74.9	87.5	70.5	70.1	64.5	73.8	78.0	82.0	79.4	73.7
Farm-retail spread (cts.)	43.9	52.5	50.7	62.6	54.4	47.1	47.7	50.1	54.6	57.1
Carcass-retail spread <sup>4</sup> (cts.)	27.6	39.5	36.3	44.1	38.7	34.1	35.5	39.6	44.0	45.4
Farm-carcass spread <sup>5</sup> (cts.)	16.3	13.0	14.4	18.5	15.7	13.0	12.2	10.5	10.6	11.7
Farmer's share (%)	63	62	58	53	54	61	62	62	59	56
Milk, fresh:										
Retail price (cts./½ gal.)	78.4	82.5	83.6	83.1	83.4	83.5	83.9	83.4	84.2	84.1
Farm value (cts./4.39 lbs. Class I)	39.9	46.2	44.7	47.4	44.0	44.4	45.6	46.4	46.8	46.8
Farm-retail spread (cts.)	38.5	36.3	38.9	35.7	39.4	39.1	38.3	37.0	37.4	37.3
Farmer's share (%)	51	56	53	57	53	53	54	56	56	56
Chicken, frying:										
Retail price (cts./lb.)	58.9	61.3	59.5	59.4	61.2	60.7	60.5	62.1	62.1	61.5
Farm value (cts./1.41 lbs. broilers)	33.7	34.0	33.0	32.0	33.7	35.4	35.0	36.8	34.4	35.5
Farm-retail spread (cts.)	25.2	27.3	26.5	27.4	27.5	25.3	25.5	25.3	27.7	26.0
Farmer's share (%)	57	55	55	54	55	58	58	59	55	58
Eggs, large grade A										
Retail price (cts./doz.)	76.3	81.2	86.0	90.3	81.2	75.4	68.7	80.9	82.0	81.7
Farm value (cts./1.03 doz.)	49.2	54.2	56.6	63.3	56.3	46.7	41.3	53.5	55.9	55.9
Farm-retail spread (cts.)	27.1	27.0	29.4	27.0	24.9	28.7	27.4	27.4	26.1	25.8
Farmer's share (%)	64	67	66	70	69	62	60	66	68	68
Bread, white:										
Retail price (cts./lb.)	36.8	35.3	35.4	35.4	35.7	35.5	35.3	35.6	35.6	35.7
Farm value (cts./0.867 lb. wheat)	4.4	4.3	2.6	3.3	2.7	2.5	2.2	2.4	2.5	2.6
Farm value (cts. for all farm ingredients)	6.9	6.2	4.4	4.9	4.6	4.4	4.0	4.2	4.3	4.3
Farm-retail spread (cts.)	29.9	29.1	31.0	30.5	31.1	31.1	31.3	31.4	31.3	31.4
Farmer's share (%)	19	18	12	14	13	12	11	12	12	12
Lettuce:										
Retail price (cts./head)	41.4	41.2	45.3	53.9	46.6	41.4	45.4	44.0	43.6	51.6
Farm value (cts./1.88 lbs.)	12.8	14.1	14.0	23.0	10.4	10.3	10.4	11.0	11.4	15.9
Farm-retail spread (cts.)	28.6	27.1	31.3	30.9	36.2	31.1	35.0	33.0	32.2	35.7
Farmer's share (%)	31	34	31	43	22	25	23	25	26	31
Potatoes:										
Retail price (cts./10 lbs.)	112.6	158.7	153.3	127.4	148.2	166.5	197.4	186.1	161.6	136.2
Farm value (cts./10.42 lbs.)	37.2	50.3	42.9	33.4	42.7	54.1	49.7	53.5	47.5	36.3
Farm-retail spread (cts.)	75.4	108.4	110.4	94.0	105.5	112.4	147.7	132.6	114.1	99.9
Farmer's share (%)	33	32	28	26	29	32	25	29	29	27
Tomatoes:										
Retail price (cts./lb.)	60.4	58.5	73.5	47.2	90.0	77.3	57.6	54.5	64.7	58.4
Farm value (cts./1.18 lbs.)	25.0	23.1	30.4	17.1	31.2	27.0	21.9	27.0	25.3	24.6
Farm-retail spread (cts.)	35.4	35.4	43.1	30.1	58.8	50.3	35.7	27.5	39.4	33.8
Farmer's share (%)	41	39	41	36	35	35	38	50	34	42
Orange juice, frozen concentrate:										
Retail price (cts./6-oz. can)	27.9	29.2	31.6	28.3	33.1	33.9	33.8	34.6	35.1	37.0
Farm value (cts./3.08 lbs.)	8.4	10.4	9.6	11.0	9.0	9.7	10.8	11.3	11.3	11.3
Farm-retail spread (cts.)	19.5	18.8	22.0	17.3	24.1	24.2	23.0	23.3	23.8	25.7
Farmer's share (%)	30	36	30	39	27	29	32	33	32	31
Margarine:										
Retail price (cts./lb.)	67.2	53.1	54.5	51.8	53.9	56.1	58.1	59.6	60.8	61.0
Farm value (cts. for veg. oil and NFDM)	22.8	14.4	21.9	20.3	24.7	24.9	24.6	22.9	19.4	15.1
Farm-retail spread (cts.)	44.4	38.7	32.6	31.5	29.2	31.2	33.5	36.6	41.4	45.9
Farmer's share (%)	34	27	40	39	46	44	42	37	32	25

<sup>1</sup> For a market basket of U.S. farm foods representing the average quantities purchased annually per household in 1960-61. Retail prices are from Bureau of Labor Statistics unless otherwise noted. The farm value is the payment to farmers for quantity of farm product equivalent to retail unit, less allowance for by-product. Farm values are based on prices at first point of sale and may include marketing charges such as grading and packing for some commodities. The farm-retail spread, the difference between the retail price and the farm value, represents charges for assembling, processing, transporting, and distributing these foods. <sup>2</sup> Composite monthly average prices of all cuts adjusted for volume sold at special prices derived from BLS and food chain prices. <sup>3</sup> For a quantity equivalent to 1 lb. retail cuts: Beef, 1.41 lb. of carcass beef (yield grade 3); pork, 1.07 lb. of wholesale cuts. <sup>4</sup> Represents charges for retailing and other marketing services such as fabricating, wholesaling, and in-city transportation. <sup>5</sup> Represents charges made for livestock marketing, processing, and transportation to city where consumed. p Preliminary.



# Farm-retail spreads for selected foods

Third Quarter

Commodities in retail units	Retail price (cents)			Farm value (cents)			Farm-retail spread (cents)			Farmer's share (percent)		
	1975	1976	1977 <sup>1</sup>	1975	1976	1977 <sup>1</sup>	1975	1976	1977 <sup>1</sup>	1975	1976	1977 <sup>1</sup>
Beef, Choice (lb.)	156.4	136.1	138.8	100.9	73.1	80.2	55.5	63.0	58.6	65	54	58
Lamb, Choice (lb.)	174.7	190.2	191.5	92.1	92.6	104.2	82.6	97.6	87.3	53	49	54
Pork (lb.)	149.2	137.4	131.1	104.3	78.4	78.4	44.9	59.0	52.7	70	57	60
Butter (lb.)	101.6	131.3	135.4	70.6	88.6	84.9	31.0	42.7	50.5	69	67	63
Cheese, American Process (½ lb.)	76.3	84.7	86.5	37.7	43.0	42.5	38.6	41.7	44.0	49	51	49
Ice cream (½ gal.)	120.6	127.3	136.9	42.8	47.7	46.3	77.8	79.6	90.6	35	37	34
Milk, evaporated (14% oz.)	30.5	34.4	36.9	14.9	17.0	17.7	15.6	17.4	19.2	49	49	48
Milk, fresh:												
Sold in stores (½ gal.)	77.2	82.5	83.9	40.7	45.9	46.7	36.5	36.6	37.2	53	56	56
Chicken, frying (lb.)	68.8	60.9	61.9	41.7	34.2	35.6	27.1	26.7	26.3	61	56	58
Turkey (lb.)	74.5	73.5	73.4	45.4	39.6	43.4	29.1	33.9	30.0	61	54	59
Eggs, large Grade A (doz.)	74.7	86.0	81.5	50.3	59.7	55.1	24.4	26.3	26.4	67	69	68
Bread, white:												
All ingredients (lb.)	35.2	35.4	35.6	6.9	5.4	4.3	28.3	30.0	31.3	20	15	12
Wheat (lb.)	—	—	—	4.7	3.6	2.5	—	—	—	13	10	7
Bread, whole wheat (lb.)	56.5	58.0	59.8	6.0	5.1	4.1	50.5	52.9	55.7	11	9	7
Cookies, sandwich (lb.)	91.9	95.8	103.5	13.6	10.6	9.8	78.3	85.2	93.7	15	11	9
Corn flakes (12 oz.)	51.8	51.1	56.7	4.7	4.5	3.0	47.1	46.6	53.7	9	9	5
Flour, white (5 lb.)	95.0	92.4	83.8	37.2	28.6	20.4	57.8	63.8	63.4	39	31	24
Rice, long grain (lb.)	47.4	43.0	39.8	14.5	10.0	11.0	32.9	33.0	28.8	31	23	28
Apples (lb.)	41.9	36.1	43.0	13.2	12.1	13.6	28.7	24.0	29.4	32	34	32
Grapefruit (ea.)	27.0	24.3	26.1	4.6	5.0	5.5	22.4	19.3	20.6	17	21	21
Lemons (lb.)	46.1	43.6	43.6	14.7	8.7	9.5	31.4	34.9	34.1	32	20	22
Oranges (doz.)	121.7	118.2	130.8	27.6	25.7	34.5	94.1	92.5	96.3	23	22	26
Cabbage (lb.)	15.9	14.5	15.7	5.6	5.0	5.2	10.3	9.5	10.5	35	34	33
Carrots (lb.)	26.4	26.3	31.8	9.5	8.8	9.8	16.9	17.5	22.0	36	33	31
Celery (lb.)	26.9	28.3	30.5	7.8	7.9	8.0	19.1	20.4	22.5	29	28	26
Cucumbers (lb.)	30.6	30.6	34.1	11.0	10.2	12.5	19.6	20.4	21.6	36	33	37
Lettuce (head)	40.0	50.9	46.4	14.0	19.2	12.8	26.0	31.7	33.6	35	38	28
Onions (lb.)	32.5	22.4	27.3	15.1	5.9	8.4	17.4	16.5	18.9	46	26	31
Peppers, green (lb.)	57.2	50.4	55.8	18.0	15.2	16.7	39.2	35.2	39.1	31	30	30
Potatoes (10 lb.)	171.5	145.3	161.3	54.4	39.7	45.8	117.1	105.6	115.5	32	27	28
Tomatoes (lb.)	58.4	51.8	59.2	24.0	20.5	25.6	34.4	31.3	33.6	41	40	43
Peaches, canned (No. 2½)	60.6	59.2	61.6	17.2	13.7	12.4	43.4	45.5	49.2	28	23	20
Pears, canned (No. 2½)	74.4	70.9	72.0	19.7	14.6	12.8	54.7	56.3	59.2	26	21	18
Beets, canned (No. 303)	32.8	32.0	35.0	2.4	2.4	2.4	30.4	29.6	32.6	7	8	7
Corn, canned (No. 303)	38.9	35.3	32.5	5.5	5.6	5.2	33.4	29.7	27.3	14	16	16
Peas, canned (No. 303)	39.6	38.3	38.5	7.7	8.0	7.4	31.9	30.3	31.1	19	21	19
Tomatoes, canned (No. 303)	35.2	34.9	38.2	4.9	4.8	4.5	30.3	30.1	33.7	14	14	12
Lemonade, frozen (6-oz. can)	22.8	22.0	23.1	6.8	3.8	2.7	16.0	18.2	20.4	30	17	12
Orange juice, frozen (6-oz. can)	28.2	28.7	35.6	8.8	11.0	11.3	19.4	17.7	24.3	31	38	32
Potatoes, french fried, frozen (9 oz.)	25.3	27.6	27.9	4.6	6.0	4.6	20.7	21.6	23.3	18	22	16
Peas, frozen (10 oz.)	35.0	34.5	37.9	7.2	7.3	6.6	27.8	27.2	31.3	21	21	17
Beans, dried (lb.)	36.1	46.9	41.7	21.4	16.4	15.5	14.7	30.5	26.2	59	35	37
Margarine (lb.)	58.9	51.1	60.5	22.4	18.9	19.0	36.5	32.2	41.5	38	37	31
Peanut butter (12-oz. jar) <sup>2</sup>	68.8	70.1	74.0	25.0	26.5	29.4	43.8	43.6	44.6	36	38	40
Salad and cooking oil (24-oz. bottle)	109.3	93.0	113.4	36.8	30.4	30.0	72.5	62.6	83.4	34	33	26
Vegetable shortening (3 lb.)	182.0	148.3	168.8	78.4	65.3	65.2	103.6	83.0	103.6	43	44	39
Sugar (5 lb.)	148.8	120.4	107.3	70.5	43.3	40.2	78.3	77.1	67.1	47	36	37
Spaghetti, canned (15½-oz. can)	26.7	27.0	27.8	4.1	3.5	2.8	22.6	23.5	25.0	15	13	10

<sup>1</sup> Preliminary. <sup>2</sup> Farm value revised—farm-product equivalent of farmer's stock peanut changed from 1.35 pounds in 1975 to 1.38 pounds in 1976 and 1.42 pounds in 1977.

### Price spreads for beef and pork

Item	Retail price per pound <sup>1</sup>	Carcass value <sup>2</sup>	Gross farm values <sup>3</sup>	Byproduct allowance <sup>4</sup>	Net value <sup>5</sup>	Farm-retail spread			Farmer's share
						Total	Carcass- retail <sup>6</sup>	Farm- carcass <sup>7</sup>	
									Cents
Beef, Choice grade									
1971	104.3	75.7	72.3	4.5	67.8	36.5	28.6	7.9	65
1972	113.8	80.1	79.8	7.4	72.4	41.4	33.7	7.7	64
1973	135.5	98.1	100.0	10.1	89.9	45.6	37.4	8.2	66
1974	138.8	97.4	93.7	7.6	86.1	52.7	41.4	11.3	62
1975	146.0	105.5	99.9	7.0	92.9	53.1	40.5	12.6	64
1976	138.9	88.6	86.3	8.4	77.9	61.0	50.3	10.7	56
1975									
Jan.-Mar.	129.6	86.6	80.3	5.1	75.2	54.4	43.0	11.4	58
Apr.-June	146.5	113.4	108.4	7.1	101.3	45.2	33.1	12.1	69
July-Sept.	156.4	115.4	108.8	7.9	100.9	55.5	41.0	14.5	65
Oct.-Dec.	151.4	106.5	102.2	7.9	94.3	57.1	44.9	12.2	62
1976									
Jan.-Mar.	142.1	89.8	85.3	7.6	77.7	64.4	52.3	12.1	55
Apr.-June	141.5	93.0	91.9	8.8	83.1	58.4	48.5	9.9	59
July-Sept.	136.1	83.8	82.1	9.0	73.1	63.0	52.3	10.7	54
Oct.-Dec.	136.0	88.0	85.8	8.0	77.8	58.2	48.0	10.2	57
1977									
Jan.-Mar.	135.1	85.3	83.3	9.0	74.3	60.8	49.8	11.0	55
Apr.-June	136.6	90.8	90.1	9.7	80.4	56.2	45.8	10.4	59
July-Sept.	138.8	91.4	88.9	8.7	80.2	58.6	47.4	11.2	58
Pork									
1971	70.3	52.1	35.1	2.8	32.3	38.0	18.2	19.8	46
1972	83.2	65.3	51.2	3.5	47.7	35.5	17.9	17.6	57
1973	109.8	87.3	78.2	6.7	71.5	38.3	22.5	15.8	65
1974	108.2	77.4	68.0	7.2	60.8	47.4	30.8	16.6	56
1975	135.0	103.8	94.8	7.9	86.9	48.1	31.2	16.9	64
1976	134.3	93.6	84.4	6.0	78.4	55.9	40.7	15.2	58
1975									
Jan.-Mar.	114.4	85.7	75.6	7.3	68.3	46.1	28.7	17.4	60
Apr.-June	123.1	96.7	88.9	7.4	81.5	41.6	26.4	15.2	66
July-Sept.	149.2	118.9	114.0	9.7	104.3	44.9	30.3	14.6	70
Oct.-Dec.	153.4	114.1	100.9	7.3	93.6	59.8	39.3	20.5	61
1976									
Jan.-Mar.	141.5	100.3	92.6	6.2	86.4	55.1	41.2	13.9	61
Apr.-June	138.5	100.6	95.0	6.3	88.7	49.8	37.9	11.9	64
July-Sept.	137.4	93.1	84.5	6.1	78.4	59.0	44.3	14.7	57
Oct.-Dec.	119.8	80.2	65.5	5.0	60.5	59.3	39.6	19.7	50
1977									
Jan.-Mar.	120.6	84.1	75.0	6.1	68.9	51.7	36.5	15.2	57
Apr.-June	121.8	85.7	78.6	6.5	72.1	49.7	36.1	13.6	59
July-Sept.	131.1	89.3	84.4	6.0	78.4	52.7	41.8	10.9	60

<sup>1</sup> Composite monthly average prices of all cuts adjusted for volume sold at special prices—derived from BLS and food chain prices. <sup>2</sup> For a quantity equivalent to 1 lb. retail cuts: Beef, 1.41 lb. of carcass beef (1975 and later data based on yield grade 3); pork, 1.07 lb. of wholesale cuts. <sup>3</sup> Payment to farmers for quantity of live animal equivalent to 1 retail pound: Beef, 2.28 lb. and pork 1.97 lb. <sup>4</sup> Portion of gross farm value attributed to edible and inedible byproducts. <sup>5</sup> Gross farm value minus byproduct allowance. <sup>6</sup> Includes not only gross margin for retailing but also charges made for other marketing services such as fabricating, wholesaling, and in-city transportation. <sup>7</sup> Includes changes made for livestock marketing, processing, and transportation to city where consumed.

## Food marketing: Spreads, costs, and profit rates

Year	Intermediate goods and services <sup>1</sup>					Interest rate <sup>3</sup>	Profit rates after taxes			
	Farm-retail Price spread	Total	Containers packaging	Fuel, power, and light	Hourly earnings <sup>2</sup>		Food retailers <sup>4</sup>		Food manufacturers <sup>5</sup>	
							Sales	Equity	Sales	Equity
1967=100					Dollars	Percent				
1970	113.4	113	108	108	3.03	8.48	—	—	2.5	10.8
1971	116.5	120	113	120	3.24	6.32	—	—	2.6	11.0
1972	118.9	126	117	126	3.45	5.82	—	—	2.6	11.2
1973	126.5	134	123	138	3.66	8.30	—	—	2.6	12.8
1974	151.5	159	151	202	3.99	11.28	—	—	2.9	13.9
1975	165.1	180	174	237	4.40	8.65	0.5	6.8	3.2	14.4
1976 <sup>6</sup>	173.2	193	184	258	4.77	7.52	.8	10.0	3.4	14.9
1974										
I	142.2	148	131	175	3.85	9.91	—	—	2.7	12.4
II	154.6	155	145	200	3.94	11.15	—	—	2.7	12.8
III	152.5	166	161	212	4.04	12.40	.9	11.7	3.2	15.4
IV	156.7	170	169	220	4.14	11.64	1.0	12.1	3.0	14.7
1975										
I	166.1	176	173	231	4.28	9.94	.4	-5.5	2.4	10.7
II	161.9	178	174	237	4.34	8.16	.8	10.5	3.3	15.0
III	163.4	181	174	238	4.43	8.22	.8	9.9	3.7	17.2
IV	168.8	184	176	241	4.55	8.29	.9	11.3	3.2	14.0
1976 <sup>6</sup>										
I	172.6	186	179	243	4.65	7.54	.6	7.2	3.1	13.3
II	170.8	191	185	252	4.74	7.44	.9	11.6	3.7	16.4
III	174.4	194	185	260	4.81	7.80	.7	8.9	3.9	16.8
IV	176.3	199	187	278	4.90	7.48	.8	10.7	3.1	13.1
1977 <sup>6</sup>										
I	177.1	202	189	301	5.04	—	.8	10.6	2.7	11.4
II	178.7	207	195	306	5.12	—	—	—	3.5	15.0
III	180.6	211	197	315	5.19	—	—	—	—	—

<sup>1</sup> Represents all goods purchased by food marketing firms except raw materials and plant and equipment, and all services except those performed by employees, calculated from wholesale price relatives. <sup>2</sup> Weighted composite of production employees in food manufacturing and nonsupervisory employees in wholesale and retail trade, calculated from data of the U.S. Department of Labor. <sup>3</sup> Bank rates on short-term business loans in 35 centers, Department of Commerce. <sup>4</sup> Federal Trade Commission. These data are based on reports from all food retailing corporations having more than \$100 million in annual sales, and whose activities are at least 75 percent specialized in supermarket operations. Comparable data not available prior to third quarter 1974. <sup>5</sup> "Quarterly Financial Report," Federal Trade Commission. Data represent national aggregate estimates for corporations based upon a sample of company reports. Data since the fourth quarter of 1973 are imperfectly comparable with prior data because of changes in accounting methods. <sup>6</sup> Preliminary.



# Market basket of farm foods<sup>1</sup>

Product group	Annual			1976 <sup>3</sup>		1977 <sup>2</sup>		
	1974	1975	1976 <sup>2</sup>	III	IV	I <sup>3</sup>	II	III
	Dollars							
<b>Retail cost</b>								
Meat .....	532.67	582.68	583.96	590.74	553.46	558.03	560.50	578.56
Dairy .....	296.33	302.65	331.49	330.89	337.46	335.80	338.74	341.55
Poultry .....	68.32	75.42	72.51	73.83	67.68	71.08	73.78	75.05
Eggs .....	56.90	55.24	61.03	62.43	66.71	70.80	54.73	59.28
Bakery and cereal .....	277.30	304.29	299.32	298.66	299.18	300.30	304.72	304.03
Fresh fruits .....	73.15	74.82	75.51	80.23	79.33	80.36	87.67	93.00
Fresh vegetables .....	118.84	114.07	120.87	117.70	118.80	141.76	149.05	128.15
Proc. fruits and veg. ....	165.99	187.40	189.54	188.33	190.60	192.44	196.39	197.91
Fats and oils .....	75.74	81.39	69.52	67.67	70.30	71.31	74.43	78.95
Miscellaneous .....	84.32	98.12	91.69	91.81	91.39	91.50	92.18	91.91
Total .....	1,749.56	1,876.08	1,895.44	1,902.29	1,874.91	1,913.45	1,932.19	1,948.39
<b>Farm value</b>								
Meat .....	299.16	347.51	314.56	308.67	280.43	296.03	314.02	319.79
Dairy .....	145.81	149.50	169.93	172.87	168.77	166.67	169.82	174.29
Poultry .....	38.24	44.21	39.82	41.26	34.83	38.57	42.35	43.24
Eggs .....	38.65	36.46	42.08	43.30	46.52	47.46	35.06	39.79
Bakery and cereal:								
All ingredients .....	69.15	56.60	46.07	45.26	38.93	39.92	39.08	37.27
Grain .....	48.76	39.30	32.67	31.83	26.02	25.93	23.56	23.73
Fresh fruits .....	21.79	22.80	21.43	23.99	23.97	22.66	23.31	27.60
Fresh vegetables .....	39.79	39.58	40.22	36.79	40.46	55.76	45.14	38.87
Proc. fruits and veg. ....	36.37	40.04	38.84	37.74	37.82	34.48	35.17	34.42
Fats and oils .....	35.49	27.76	22.46	25.36	24.87	27.03	32.77	25.71
Miscellaneous .....	22.87	19.64	13.93	13.17	12.03	12.52	12.66	11.84
Total .....	747.32	784.10	749.34	748.42	708.63	741.10	749.39	753.83
<b>Farm-retail spread</b>								
Meat .....	233.51	235.17	269.40	282.07	273.03	262.00	246.48	258.77
Dairy .....	150.52	153.15	161.56	158.02	168.69	169.13	168.92	167.26
Poultry .....	30.08	31.21	32.69	32.57	32.85	32.51	31.43	31.81
Eggs .....	18.25	18.78	18.95	19.13	20.19	23.34	19.67	19.49
Bakery and cereal:								
All ingredients .....	208.15	247.69	253.25	253.40	260.25	260.38	265.64	266.76
Grain .....	51.36	52.02	54.08	56.24	55.36	57.70	64.36	65.40
Fresh fruits .....	79.05	74.49	80.65	80.91	78.34	86.00	103.91	89.28
Fresh vegetables .....	129.62	147.36	150.70	150.59	152.78	157.96	161.22	163.49
Proc. fruits and veg. ....	40.25	53.63	47.06	42.31	45.43	44.28	41.66	53.24
Fats and oils .....	61.45	78.48	77.76	78.64	79.36	78.98	79.52	80.07
Miscellaneous .....	208.15	247.69	253.25	253.40	260.25	260.38	265.64	266.76
Total .....	1,002.24	1,091.98	1,146.10	1,153.87	1,166.28	1,172.35	1,182.80	1,194.56
	Percent							
<b>Farmer's share</b>								
Meat .....	56	60	54	52	51	53	56	55
Dairy .....	49	49	51	52	50	50	50	51
Poultry .....	56	59	55	56	51	54	57	58
Eggs .....	68	66	69	69	70	67	64	67
Bakery and cereal:								
All ingredients .....	25	19	15	15	13	13	13	12
Grain .....	18	13	11	11	9	9	8	8
Fresh fruits .....	30	30	28	30	30	28	27	30
Fresh vegetables .....	33	34	33	31	34	39	30	30
Proc. fruits and veg. ....	22	21	20	20	20	18	18	17
Fats and oils .....	47	34	32	37	35	38	44	33
Miscellaneous .....	27	20	15	14	13	14	14	13
Average .....	43	42	40	39	38	39	39	39

<sup>1</sup> Annual rate. See footnote 1 on monthly farm-retail price spread table (page 6) for description of data. <sup>2</sup> Preliminary. <sup>3</sup> Revised.

# Livestock and Products: Prices, Supplies, and Use

## Livestock and products output and prices

Output	1976				1977					1978	
	II	III	IV	Annual	I	II	III	IV <sup>2</sup>	Annual <sup>1</sup>	I <sup>1</sup>	II <sup>1</sup>
Beef (mil. lb.)	6,145	6,618	6,412	25,667	6,285	6,162	6,330	6,150	24,927	6,050	6,000
Change (pct.) <sup>2</sup>	+10	+11	+2	+8	-3	0	-4	-4	-3	-2	-3
Pork (mil. lb.)	2,847	3,014	3,669	12,488	3,293	3,186	3,100	3,550	13,129	3,600	3,550
Change (pct.) <sup>2</sup>	-5	+18	+27	+8	+11	+12	+3	-3	+5	+9	+11
Veal (mil. lb.)	178	205	224	813	203	186	205	195	789	160	120
Change (pct.) <sup>2</sup>	-2	-12	-9	-2	-1	+4	0	-13	-3	-21	-35
Lamb and mutton (mil. lb.)	82	92	92	361	90	86	85	88	349	85	80
Change (pct.) <sup>2</sup>	-15	-12	-6	-10	-5	+5	-8	-4	-3	-6	-7
Red meats (mil. lb.)	9,252	9,929	10,397	39,329	9,871	9,620	9,720	9,983	39,194	9,995	9,700
Change (pct.) <sup>2</sup>	+4	+12	+9	+8	+1	+4	-2	-4	0	+1	+1
Broilers (mil. lb.)	2,314	2,372	2,186	8,988	2,156	2,400	2,415	2,270	9,241	2,265	2,570
Change (pct.) <sup>2</sup>	+12	+14	+10	+13	+2	+4	+2	+4	+3	+5	+7
Turkeys (mil. lb.)	369	710	664	1,950	210	365	675	665	1,915	230	400
Change (pct.) <sup>2</sup>	+28	+14	+5	+14	+1	-1	-5	0	-2	+10	+10
Total meats (mil. lb.)	11,935	13,011	13,247	50,267	12,237	12,385	12,810	12,918	50,350	12,490	12,670
Change (pct.) <sup>2</sup>	+6	+13	+9	+9	+2	+4	-2	-2	0	+2	+2
Eggs (mil. doz.)	1,344	1,342	1,360	5,404	1,330	1,338	1,330	1,375	5,373	1,355	1,360
Change (pct.) <sup>2</sup>	+1	0	0	+1	-2	0	-1	+1	-1	+2	+2
Milk (bil. lb.)	32.4	30.2	28.6	120.4	29.8	33.1	31.0	29.3	123.3	30.7	34.0
Change (pct.) <sup>2</sup>	+4	+6	+4	+4	+2	+2	+3	+2	+2	+3	+3
Total livestock and products (1974=100)	104.7	108.2	107.4	105.6	103.1	107.5	107.7	106.5	106.2	105.2	110.0
Change (pct.) <sup>2</sup>	+5.2	+9.2	+6.2	+6.7	+1.1	+2.7	-5	-8	+6	+2.0	+2.3
Prices											
Choice steers, Omaha (\$ per cwt.)	41.42	37.30	39.00	39.11	37.88	40.77	40.47	40-42	—	40-42	41-43
Barrows and gilts, 7-markets (\$ per cwt.)	49.19	43.88	34.25	43.11	39.08	40.87	43.85	36-38	—	34-36	33-35
Slaughter lambs, choice, San Angelo (\$ per cwt.)	58.63	43.54	45.81	49.87	52.98	55.76	51.88	48-50	—	52-54	56-58
Broilers, 9-city wholesale (cts. per lb.) <sup>3</sup>	41.7	41.5	35.5	40.2	40.9	42.3	42.4	37-39	—	38-40	37-39
Turkeys, N.Y., wholesale (cts. per lb.) <sup>4</sup>	48.2	48.5	49.0	48.8	50.2	51.5	53.1	55-57	—	50-52	50-52
Eggs, cartoned, Grade A large, N.Y. (cts. per doz.)	63.1	71.8	78.4	70.3	74.9	57.8	61.5	61-63	—	58-60	50-52
Milk, all at farm, (\$ per cwt.)	9.26	9.66	9.86	9.66	9.54	9.38	9.68	10.25-10.40	—	10.05-10.15	9.95-10.05
Livestock prices received by farmers (1967=100)	185	175	165	177	172	174	178	179	—	180	183

<sup>1</sup> Forecast. <sup>2</sup> Change from year-earlier. <sup>3</sup> Weighted average. <sup>4</sup> 8-16 pound young hens.

## Dairy:

Items	January-June			1976	1977					
	1975	1976	1977	Sept	Apr	May	June	July	Aug	Sept
<b>Milk production:</b>										
Total milk (mil. lb.)	59,377	61,621	62,962	9,616	10,741	10,295	11,103	10,715	10,410	9,907
Milk per cow (lb.)	5,314	5,572	5,727	872	977	1,029	1,013	977	949	903
Number of milk cows (thou.)	11,174	11,060	10,995	11,030	10,989	10,978	10,963	10,965	10,973	10,975
<b>Milk prices, Minnesota-Wisconsin,</b>										
3.5% fat (\$/cwt.) <sup>1</sup>	6.93	8.47	8.41	8.46	8.60	8.62	8.60	8.65	8.64	8.74
Price of 16% dairy ration (\$/ton)	135	137	149	147	148	152	149	141	132	128
Milk-feed price ratio (lb.) <sup>2</sup>	1.30	1.54	1.48	1.51	1.46	1.43	1.49	1.57	1.69	1.78
<b>Stocks, beginning</b>										
Total milk equiv. (mil. lb.) <sup>3</sup>	5,886	3,844	5,708	6,993	7,006	7,725	8,977	9,988	10,385	10,425
Commercial (mil. lb.)	5,576	3,719	5,299	6,915	5,529	5,976	6,541	7,058	6,978	6,910
Government (mil. lb.)	310	124	410	78	1,478	1,749	2,437	2,930	3,407	3,715
Imports, total milk equiv. (mil. lb.) <sup>3</sup>	580	797	849	144	116	103	148	133	136	—
<b>USDA net removals:</b>										
Total milk equiv. (mil. lb.) <sup>3</sup>	2,341	84	4,744	2.5	601.5	1,043.3	953.8	501.1	532.7	38.6
<b>Butter:</b>										
Production (mil. lb.)	582.8	529.9	599.6	64.0	100.4	103.9	95.0	84.2	78.2	—
Stocks, beginning (mil. lb.)	49.2	10.9	47.1	82.3	106.4	128.5	164.0	196.8	208.4	207.7
Wholesale price, Grade A Chicago (cts./lb.)	68.4	87.9	96.0	92.4	100.1	100.7	100.7	100.7	100.7	100.7
USDA net removals (mil. lb.)	81.8	.4	180.1	—	25.9	43.7	35.1	16.0	13.5	.3
Commercial disappearance (mil. lb.)	497.1	460.7	378.9	77.5	65.3	57.0	47.1	74.5	72.9	—
<b>American cheese:</b>										
Production (mil. lb.)	885.8	1,072.1	1,115.0	155.6	193.8	211.9	200.3	176.2	162.7	—
Stocks, beginning (mil. lb.)	420.9	307.8	411.4	451.7	422.5	447.5	491.5	514.3	528.9	531.9
Wholesale price, Wisconsin assembly pt. (cts./lb.)	78.5	95.4	95.4	98.1	97.9	97.9	97.4	97.1	97.1	98.3
USDA net removals (mil. lb.)	63.2	4.7	102.6	—	6.6	14.0	23.1	16.8	24.0	2.9
Commercial disappearance (mil. lb.)	840.6	956.6	943.2	150.7	162.9	155.9	163.0	156.0	150.1	—
<b>Other cheese:</b>										
Production (mil. lb.)	563.7	626.9	645.6	106.8	108.1	114.6	113.8	106.4	108.8	—
Stocks, beginning (mil. lb.)	73.1	60.8	67.1	66.4	64.5	64.0	67.0	73.3	74.0	73.2
Commercial disappearance (mil. lb.)	630.3	696.9	717.3	124.0	119.8	122.9	124.6	122.1	126.0	—
<b>Nonfat dry milk:</b>										
Production (mil. lb.)	628.8	513.6	590.6	56.1	107.1	119.6	132.7	120.7	100.6	—
Stocks, beginning (mil. lb.)	293.2	468.9	480.6	507.4	465.4	520.9	538.8	579.2	619.5	653.2
Wholesale price, avg. manf. (cts./lb.)	60.4	63.7	64.7	64.0	65.3	67.7	67.9	67.9	67.9	—
USDA net removals (mil. lb.)	369.4	63.2	226.8	9.7	37.3	62.8	78.2	67.8	62.7	38.3
Commercial disappearance (mil. lb.)	283.4	375.9	331.9	60.5	42.6	43.8	47.3	51.5	57.6	—
<b>Frozen dessert production (mil. gal.)<sup>4</sup></b>	584.7	579.6	569.9	103.5	98.0	104.3	120.8	118.9	121.9	—

<sup>1</sup> Manufacturing grade milk. <sup>2</sup> Pounds of ration equal in value to 1 lb. of milk. <sup>3</sup> Milk equivalent, fat-solids basis. <sup>4</sup> Ice cream, ice milk, and sherbet.

## Poultry and eggs:

Items	January-June			1976	1977					
	1975	1976	1977	Sept	Apr	May	June	July	Aug	Sept
<b>Eggs</b>										
Farm Production (mil.)	32,031	32,422	31,989	5,260	5,363	5,477	5,215	5,304	5,373	5,325
Average number of layers on farms (mil.)	278	276	273	275	272	269	267	267	271	277
Rate of lay (eggs per layer)	115.4	117.7	117.2	19.2	19.7	20.4	19.5	19.9	19.8	19.2
Cartoned price, New York, grade A										
large (cts./doz.) <sup>1</sup>	60.9	65.6	66.4	74.0	61.4	55.1	57.0	62.4	61.4	60.8
Price of laying feed (\$/ton)	148	146	162	159	163	166	162	153	143	138
Egg-feed price ratio (lb.) <sup>2</sup>	6.9	7.6	7.0	7.7	6.8	5.9	5.8	6.6	7.2	7.6
<b>Stocks, beginning of period:</b>										
Shell (thou. cases)	36	22	28	45	42	42	33	40	38	47
Frozen (mil. lb.)	54.2	36.3	26.1	31.0	24.7	25.4	28.1	31.6	35.1	34.8
Replacement chicks hatched (mil.)	253.0	267.6	284.3	37.7	54.8	52.5	44.4	37.4	37.8	37.1
<b>Broilers</b>										
Federally inspected slaughter, certified (mil. lb.)	3,894	4,430	4,555	800.3	744.9	809.9	843.7	745.5	870.4	—
Wholesale price, 9-city, (cts./lb.)	42.5	41.9	41.6	39.7	41.4	42.2	43.3	44.3	42.0	40.9
Price of broiler grower feed (\$/ton)	165	162	181	179	183	187	184	175	164	154
Broiler-feed price ratio (lb.) <sup>2</sup>	3.0	3.0	2.6	2.5	2.7	2.6	2.7	3.0	2.9	3.1
Stocks, beginning of period (mil. lb.)	37.2	22.3	32.9	27.4	26.6	24.8	27.9	34.1	33.1	30.5
Average weekly placements of broiler chicks, 21 States (mil.)	58.8	56.3	68.9	60.4	71.7	71.9	71.4	66.9	63.8	62.1
<b>Turkeys</b>										
Federally inspected slaughter, certified (mil. lb.)	455.4	575.2	574.9	252.8	78.9	110.0	176.5	189.6	244.4	—
Wholesale price, New York, 8-16 lb.										
Young hens (cts./lb.)	49.8	48.7	50.9	48.0	53.6	50.8	50.0	50.8	53.4	55.0
Price of turkey grower feed (\$/ton)	167	167	191	181	195	200	196	188	176	172
Turkey-feed price ratio (lb.) <sup>2</sup>	3.8	3.9	3.5	3.4	3.4	3.3	3.5	3.6	3.8	4.0
Stocks, beginning of period (mil. lb.)	275.0	195.2	203.4	370.3	142.3	130.3	137.9	201.2	251.6	327.6
Poults hatched (mil.)	92.1	103.4	101.0	4.3	19.5	21.0	18.9	15.4	8.1	4.5

<sup>1</sup> Price of cartoned eggs to volume buyers for delivery to retailers; wholesale Price series discontinued June 1. <sup>2</sup> Pounds of feed equal in value to 1 dozen eggs or 1 lb. of broiler or turkey liveweight.



## Meat animals:

Items	January-June			1976	1977					
	1974	1975	1976	Sept	Apr	May	June	July	Aug	Sept
<b>Cattle on feed (7-States):</b>										
Number on feed (thou. head) <sup>1</sup>	9,353	6,369	8,537	6,438	7,280	7,196	7,053	6,872	6,866	6,718
Placed on feed (thou. head) <sup>2</sup>	7,851	7,780	8,495	1,674	1,658	1,599	1,448	1,491	1,503	1,837
Marketings (thou. head)	9,195	7,614	9,282	1,478	1,564	1,489	1,548	1,442	1,593	1,540
Other disappearance (thou. head)	863	529	671	56	178	253	101	55	58	67
Beef steer-corn price ratio, Omaha (bu.) <sup>3</sup>	15.9	14.7	15.0	14.3	17.5	19.0	19.2	21.5	24.2	24.2
Hog-corn price ratio, Omaha (bu.) <sup>3</sup>	12.2	14.9	20.9	15.1	16.0	18.8	20.7	23.8	26.4	24.1
<b>Commercial slaughter (thou. head)</b>										
Cattle	17,331	19,283	21,083	3,749	3,272	3,299	3,627	3,307	3,751	—
Steers	9,880	9,423	9,364	1,661	1,603	1,607	1,809	1,587	1,759	—
Heifers	4,027	4,736	6,140	1,050	920	910	957	900	1,066	—
Cows	3,080	4,643	5,078	948	677	706	780	744	840	—
Bulls and stags	344	431	501	90	72	76	80	76	86	—
Calves	1,199	2,205	2,565	495	445	419	442	421	485	—
Sheep and lambs	4,302	3,869	3,277	646	562	492	570	486	578	—
Hogs	41,163	36,567	34,252	6,637	6,658	6,134	5,957	5,120	6,411	—
<b>Commercial production (mil. lb.)</b>										
Beef	11,072	11,435	12,637	2,274	1,990	1,991	2,181	1,969	2,229	—
Veal	167	348	384	75	59	61	66	62	73	—
Lamb and mutton	228	197	177	34	31	26	29	25	29	—
Pork	6,909	5,967	5,678	1,084	1,120	1,044	1,022	869	1,074	—
<b>Market prices</b>										
Dol. per 100 pounds										
<b>Slaughter cattle:</b>										
Choice steers, Omaha	42.74	41.88	40.06	36.97	40.08	41.98	40.24	40.94	40.11	40.35
Utility cows, Omaha	30.06	20.50	27.51	22.90	27.63	26.57	25.64	25.23	25.38	26.12
Choice vealers, S. St. Paul	58.78	40.43	47.42	39.84	52.88	54.92	51.60	46.95	46.20	41.54
<b>Feeder cattle:</b>										
Choice, Kansas City, 600-700 lb.	43.79	31.03	41.54	36.18	41.81	41.72	39.90	40.64	41.99	40.85
<b>Slaughter hogs:</b>										
Barrows and gilts, No. 1&2, Omaha <sup>4</sup>	34.82	43.60	49.62	40.06	37.64	42.60	44.98	46.62	44.81	41.71
Barrows and gilts, 7-markets	33.20	42.73	48.59	39.39	36.97	41.79	43.86	45.76	44.38	41.40
<b>Feeder pigs:</b>										
S. Mo. 40-50 lb. (per head)	28.67	39.55	46.46	27.69	41.49	40.91	35.18	36.90	39.84	37.46
<b>Slaughter sheep and lambs:</b>										
Lambs, Choice, San Angelo	42.72	43.96	55.06	42.88	59.62	55.56	52.10	50.42	51.46	53.75
Ewes, Good, San Angelo	18.64	16.02	18.08	15.90	18.19	16.62	16.00	14.58	16.75	19.62
<b>Feeder lambs:</b>										
Choice, San Angelo	39.86	39.88	54.20	46.65	59.19	51.38	46.15	47.33	50.75	54.62
<b>Wholesale meat prices, Midwest<sup>5</sup></b>										
Choice steer beef, 600-700 lb.	68.07	68.44	62.96	57.24	60.54	64.44	62.62	63.65	62.49	63.07
Canner and Cutler cow beef	61.78	41.74	55.55	47.75	56.42	53.31	52.42	51.69	51.12	49.92
Pork loins, 8-14 lb.	70.58	66.53	93.09	83.43	73.42	83.14	87.94	91.66	85.21	85.52
Pork bellies, 12-14 lb.	46.30	67.59	61.36	63.61	55.23	57.10	58.51	63.55	63.96	55.04
Hams, skinned, 14-17 lb.	59.64	71.34	83.07	72.18	63.70	70.39	72.10	72.58	75.61	75.77

Items	First Half			1976			1977			
	1975	1976	1977	II	III	IV	I	II	III	IV
<b>Cattle on feed (23-States):</b>										
Number on feed (thou. head) <sup>1</sup>	9,619	12,327	11,945	10,895	10,053	9,280	11,945	10,618	9,761	9,777
Placed on feed (thou. head) <sup>2</sup>	10,308	11,042	11,612	5,615	5,702	8,767	5,597	6,008	6,472	—
Marketings (thou. head)	10,540	12,285	12,611	5,939	6,201	5,689	6,442	6,152	6,164	—
Other disappearance (thou. head)	845	1,031	1,196	518	274	413	482	713	292	—
<b>Hogs and pigs (14-States):<sup>4</sup></b>										
Inventory (thou. head) <sup>1</sup>	47,170	41,855	47,020	40,865	46,085	48,785	47,020	44,000	46,140	50,120
Breeding (thou. head) <sup>1</sup>	6,283	6,368	6,774	6,706	7,049	6,813	6,774	7,001	7,235	7,324
Market (thou. head) <sup>1</sup>	40,887	35,487	40,246	34,159	39,036	41,972	40,246	36,999	38,905	42,796
Farrowings (thou. head)	4,206	4,959	5,202	2,910	2,523	2,520	2,319	2,883	2,766	2,771
Pig crop (thou. head)	30,009	36,044	37,080	21,478	18,416	17,939	15,723	21,357	20,006	—

<sup>1</sup> Beginning of period. <sup>2</sup> Other disappearance excluded in 1973; not comparable with 1974 and 1975. <sup>3</sup> Bushels of corn equal in value to 100 pounds liveweight. <sup>4</sup> 220-240 lb. <sup>5</sup> Prior to Oct. 1975, Chicago. <sup>6</sup> Quarters are Dec. preceding year-Feb. (I), Mar-May (II), June-Aug (III), and Sept-Nov (IV). <sup>7</sup> Intentions.

## Wool:

Items	January-June			1976	1977					
	1974	1975	1976	Sept	Apr	May	June	July	Aug	Sept
U.S. wool price, Boston <sup>1</sup> (cts./lb.)	199	130	177	188	183	183	183	183	183	182
Imported wool price, Boston <sup>2</sup> (cts./lb.)	242	180	209	221	227	225	224	225	220	223
U.S. mill consumption, scoured										
Apparel wool (thou. lb.)	40,716	42,451	58,553	9,344	7,925	7,680	9,469	5,220	7,462	n.a.
Carpet wool (thou. lb.)	11,310	7,699	7,056	1,783	924	1,077	1,345	615	1,150	n.a.

<sup>1</sup> Wool price delivered at U.S. mills, clean basis, Graded Territory 64's (20.60-22.04 microns) staple 2 3/4" and up. Prior to January 1976 reported as: Territory fine, good French combing and staple. <sup>2</sup> Wool price delivered at U.S. mills, clean basis, Australian 64's, type 78, including duty (25.5 cents). Prior to January 1976 reported as: Australian 64's combing, excluding duty. <sup>3</sup> No quotations reported. n.a. Not available.

# Crops and Products: Prices, Supplies, and Use

## Supply and utilization of major crops<sup>1</sup>

Commodity	Domestic measure <sup>3</sup>				Metric measure <sup>2</sup>			
	1975/76	1976/77 estimated	1977/78		1975/76	1976/77 estimated	1977/78	
			Projected	Probable variability <sup>4</sup>			Projected	Probable variability <sup>4</sup>
Wheat:								
Area		Mil. acres				Mil. hectares		
Planted . . . . .	75.1	80.2	74.4	—	30.4	32.5	30.1	—
Harvested . . . . .	69.6	70.8	66.6	—	28.2	28.7	27.0	—
		Bu. per acre				Metric tons per hectare		
Yield per harvested unit . . . . .	30.7	30.3	30.4	—	2.1	2.0	2.0	—
		Mil. bu.				Mil. metric tons		
Beginning stocks . . . . .	435	664	1,111	—	11.8	18.1	30.2	—
Production . . . . .	2,135	2,147	2,027	+30 to -30	58.1	58.4	55.2	+0.8 to -0.8
Imports . . . . .	2	3	2	—	.1	.1	.1	—
Supply, total . . . . .	2,572	2,814	3,140	—	70.0	76.6	85.5	—
Domestic . . . . .	735	753	858	+45 to -45	20.0	20.5	23.4	+1.2 to -1.2
Exports . . . . .	1,173	950	1,050	+100 to -100	31.9	25.8	28.6	+2.7 to -2.7
Use, total . . . . .	1,908	1,703	1,908	+135 to -135	51.9	46.3	51.9	+3.7 to -3.7
Ending stocks . . . . .	664	1,111	1,232	+165 to -165	18.1	30.2	33.5	+4.5 to -4.5
		Dol. per bu.				Dol. per metric ton		
Price received by farmers . . . . .	3.55	2.85	<sup>3</sup> 2.10-2.30	—	130.44	104.72	<sup>3</sup> 77-85	—
Price, Kansas City, No. 1 HRW . . .	3.74	2.88	<sup>4</sup> 2.32	—	137.42	105.82	<sup>4</sup> 85.25	—
Rice:								
Area		Mil. acres				Mil. hectares		
Allotment . . . . .	1.80	1.80	1.80	—	.73	.73	.73	—
Planted . . . . .	2.82	2.51	2.21	—	1.14	1.02	.90	—
Harvested . . . . .	2.80	2.50	2.20	—	1.13	1.01	.89	—
		Lb. per acre				Metric tons per hectare		
Yield per harvested unit . . . . .	4,567	4,679	4,486	—	5.12	5.24	5.03	—
		Mil. cwt.				Mil. metric tons		
Beginning stocks . . . . .	7.1	36.9	39.7	—	.32	1.67	1.81	—
Production . . . . .	128.0	117.0	98.8	+3 to -3	5.80	5.31	4.48	+1.4 to -1.4
Imports . . . . .	—	—	—	—	—	—	—	—
Supply, total . . . . .	135.1	153.9	138.5	—	6.12	6.98	6.29	—
Domestic . . . . .	40.2	42.8	45.3	+2 to -2	1.82	1.94	2.05	+0.9 to -0.9
Exports . . . . .	56.5	65.6	68.0	+5 to -5	2.56	2.98	3.08	+2.3 to -2.3
Use, total . . . . .	96.7	108.4	113.3	+5 to -5	4.39	4.92	5.14	+2.3 to -2.3
Ending stocks . . . . .	36.9	39.7	25.2	+7 to -7	1.67	1.81	1.14	+3.2 to -3.2
Difference unaccounted . . . . .	+1.5	+5.8	—	—	+0.6	+2.6	—	—
		Dol. per cwt.				Dol. per metric ton		
Price received by farmers . . . . .	8.34	6.63	<sup>3</sup> 7.00-8.50	—	183.86	146.16	<sup>3</sup> 176-198	—
Price, long-grain milled, S.W. La. .	17.20	14.60	<sup>4</sup> 16.08	—	379.19	321.87	<sup>4</sup> 354.50	—
Feed grains: <sup>5</sup>								
Area		Mil. acres				Mil. hectares		
Planted . . . . .	123.4	129.5	128.7	—	49.9	52.3	52.1	—
Harvested . . . . .	105.1	106.8	107.6	—	42.5	43.2	43.5	—
		Tons per acre				Metric tons per hectare		
Yield per harvested unit . . . . .	1.93	1.99	2.04	—	4.34	4.46	4.59	—

See footnotes at end of table.

# Supply and utilization of major crops<sup>1</sup>—Continued

Commodity	Domestic measure <sup>1</sup>				Metric measure <sup>2</sup>			
	1975/76	1976/77 estimated	1977/78		1975/76	1976/77 estimated	1977/78	
			Projected	Probable variability <sup>3</sup>			Projected	Probable variability <sup>3</sup>
		Mil. short tons				Mil. metric tons		
Beginning stocks	16.8	19.1	33.0	—	15.2	17.3	29.9	—
Production	203.3	212.4	219.9	+6 to -6	184.4	192.7	199.5	+5 to -5
Imports	.5	.3	.3	—	.5	.3	.3	—
Supply, total	220.6	231.8	253.2	—	200.1	210.3	229.7	—
Feed	127.6	123.4	131.9	+8 to -8	115.7	112.0	119.7	+7 to -7
Food, seed, and industrial uses	18.8	19.8	20.4	—	17.1	18.0	18.5	—
Domestic, total	146.4	143.2	152.3	+8 to -8	132.8	130.0	138.2	+7 to -7
Exports	55.1	55.6	51.3	+4 to -4	50.0	50.4	46.5	+4 to -4
Use, total	201.5	198.8	203.6	+10 to -10	182.8	180.4	184.7	+9 to -9
Ending stocks	19.1	33.0	49.6	+8 to -8	17.3	29.9	45.0	+7 to -7
Corn:		Mil. acres				Mil. hectares		
Area								
Planted	78.2	84.1	82.4	—	31.6	34.0	33.3	—
Harvested	67.2	71.1	69.5	—	27.2	28.8	28.1	—
		Bu. per acre				Metric tons per hectare		
Yield per harvested unit	86.2	87.4	90.8	—	5.41	5.49	5.70	—
		Mil. bu.				Mil. metric tons		
Beginning stocks	359	398	879	—	9.1	10.1	22.4	—
Production	5,797	6,216	6,303	+200 to -200	147.3	157.9	160.1	+5.1 to -5.1
Imports	2	2	1	—	.1	.1	( <sup>6</sup> )	—
Supply, total	6,158	6,616	7,183	—	156.5	168.1	182.5	—
Feed	3,558	3,547	3,800	+200 to -200	90.4	90.2	96.5	+5.1 to -5.1
Food, seed, and industrial uses	491	515	530	+10 to -10	12.5	13.1	13.5	+2 to -2
Domestic, total	4,049	4,062	4,330	+200 to -200	102.9	103.2	110.0	+5.1 to -5.1
Exports	1,711	1,675	1,550	+150 to -150	43.5	42.5	39.4	+3.8 to -3.8
Use, total	5,760	5,737	5,880	+300 to -300	146.4	145.7	149.4	+7.6 to -7.6
Ending stocks	398	879	1,303	+300 to -300	10.1	22.4	33.1	+7.6 to -7.6
		Dol. per bu.				Dol. per metric ton		
Price received by farmers	2.54	<sup>2</sup> 2.20	1.90-2.10	—	99.99	<sup>3</sup> 86.61	75-83	—
Price, Chi., No. 2 yellow	2.75	2.31	—	—	108.26	90.94	—	—
Soybeans:		Mil. acres <sup>4</sup>				Mil. hectares		
Area								
Planted	54.7	50.3	59.3	—	22.1	20.4	24.0	—
Harvested	53.8	49.4	58.1	—	21.8	20.0	23.5	—
		Bu. per acre				Metric tons per hectare		
Yield per harvested unit	28.8	25.6	28.3	—	1.94	1.72	1.90	—
		Mil. bu.				Mil. metric tons		
Beginning stocks	185	245	103	+10 to -10	5.0	6.7	2.8	+3 to -3
Production	1,546	1,265	1,647	+50 to -50	42.1	34.4	44.8	+1.4 to -1.4
Supply, total	1,731	1,510	1,750	+60 to -60	47.1	41.1	47.6	+1.7 to -1.7
Crushings	865	790	845	+40 to -40	23.5	21.5	23.0	+1.1 to -1.1
Exports	555	564	610	+35 to -35	15.1	15.3	16.6	+1.0 to -1.0
Seed, feed, and residual	66	<sup>6</sup> 53	80	—	1.8	<sup>6</sup> 1.4	2.2	—
Use, total	1,486	1,407	1,535	+50 to -50	40.4	38.3	41.8	+1.4 to -1.4
Ending stocks	245	103	215	+50 to -50	6.7	2.8	5.9	+1.4 to -1.4
		Dol. per bu.				Dol. per metric ton		
Price received by farmers	4.92	<sup>3</sup> 7.00	4.50-5.00	—	180.78	<sup>2</sup> 257	165-184	—
Price, Chi., No. 1 yellow	5.25	7.36	<sup>4</sup> 5.21	—	192.90	270.43	<sup>4</sup> 191.43	—
Soybean oil:		Mil. lb.				Thou. metric tons		
Beginning stocks	561	1,251	905	+100 to -100	254	567	411	+45 to -45
Production	9,630	8,604	9,125	+400 to -400	4,368	3,903	4,139	+181 to -181
Supply, total	10,191	9,855	10,030	+400 to -400	4,623	4,470	4,550	+181 to -181
Domestic	7,964	7,400	7,550	+400 to -400	3,612	3,357	3,425	+181 to -181
Exports	976	1,550	1,300	+200 to -200	443	703	590	+91 to -91
Use, total	8,940	8,950	8,800	+300 to -300	4,055	4,060	4,014	+136 to -136
Ending stocks	1,251	905	1,180	+200 to -200	567	411	535	+91 to -91
		Cts. per lb.				Cts. per kilogram		
Price, crude, Decatur	18.3	23.9	15-21	—	40.3	<sup>4</sup> 52.7	33.1-46.3	—

See footnotes at end of table.



# Supply and utilization of major crops<sup>1</sup>—Continued

Commodity	Domestic measure <sup>2</sup>				Metric measure <sup>3</sup>			
	1975/76	1976/77 estimated	1977/78		1975/76	1976/77 estimated	1977/78	
			Projected	Probable variability *			Projected	Probable variability *
<b>Soybean meal:</b>								
		Thou. short tons				Thou. metric tons		
Beginning stocks . . . . .	358	355	300	+50 to -50	325	322	272	+45 to -45
Production . . . . .	20,754	18,525	20,070	+900 to -900	18,828	16,806	18,207	+816 to -816
Supply, total . . . . .	21,112	18,880	20,370	+900 to -900	19,152	17,128	18,479	+816 to -816
Domestic . . . . .	15,612	14,080	15,200	+700 to -700	14,163	12,773	13,789	+635 to -635
Exports . . . . .	5,145	4,500	4,800	+300 to -300	4,667	4,082	4,354	+272 to -272
Use, total . . . . .	20,757	18,580	20,000	+800 to -800	18,830	16,855	18,144	+726 to -726
Ending stocks . . . . .	355	300	370	+100 to -100	322	272	336	+91 to -91
		Dol. per short ton				Dol. per metric ton		
Price, bulk, Decatur, 44% Cotton: <sup>7</sup>	147.77	199.80	110-150	—	162.90	220.26	121-165	—
		Mil. acres				Mil. hectares		
Area								
Planted . . . . .	9.5	11.7	13.4	—	3.8	4.7	5.4	—
Harvested . . . . .	8.8	10.9	12.8	—	3.6	4.4	5.2	—
		Lb. per acre				Metric tons per hectare		
Yield per harvested unit <sup>8</sup>	.453	.465	.500	—	.51	.52	.5	—
		Mil. 480-lb. bales				Mil. metric tons		
Beginning stocks . . . . .	<sup>8</sup> 5.7	<sup>8</sup> 3.7	2.9	—	<sup>8</sup> 1.2	<sup>8</sup> .8	6	—
Production . . . . .	8.3	10.6	13.3	+8 to -8	1.8	2.3	2.9	+2 to -2
Supply, total <sup>9</sup> . . . . .	14.1	14.3	16.3	+8 to -8	3.1	3.1	3.5	+2 to -2
Mill use . . . . .	7.3	6.7	6.7	+3 to -5	1.6	1.5	1.5	+1 to -1
Exports . . . . .	3.3	4.8	4.6	+5 to -5	.7	1.0	1.0	+1 to -1
Use, total . . . . .	10.6	11.5	11.3	+8 to -10	2.3	2.5	2.5	+2 to -2
Difference unaccounted <sup>10</sup> . . . . .	.2	.1	.2	—	( <sup>11</sup> )	( <sup>11</sup> )	( <sup>11</sup> )	—
Ending stocks . . . . .	<sup>9</sup> 3.7	2.9	5.2	+1.0 to -1.0	<sup>8</sup> .8	.6	1.1	+2 to -2
		Cts. per lb.				Cts. per kilogram		
Price received by farmers . . . . .	51.3	<sup>3</sup> 65.0	—	—	113.1	<sup>3</sup> 143.3	—	—
Price, SLM, 1-1/16 in., spot . . . . .	58.0	70.9	—	—	127.9	156.3	—	—

<sup>1</sup> Marketing year beginning June 1 for wheat, barley, and oats; August 1 for cotton and rice; September 1 for soybeans, and October 1 for corn, sorghum, and soybean oil and meal. <sup>2</sup> Conversion factors: Hectare (ha.)=2.471 acres; and 1 metric ton=2,204.622 pounds. <sup>3</sup> 67,437 bushels of wheat or soybeans, 39,367 bushels of corn or sorghum, 49,929 bushels of barley, 68,894 bushels of oats, 22,046 cwt. of rice, and 4.59 480-pound bales of cotton. <sup>4</sup> Season average estimate. <sup>5</sup> Average for beginning of marketing year through September 1977. <sup>6</sup> Corn, sorghum, oats, and barley. <sup>7</sup> Since reported disappearance exceeds calculated disappearance, this implies the 1976 crop was underestimated. Final 1977 production data will be released in January. <sup>8</sup> Upland and extra long staple. <sup>9</sup> Based on Census Bureau data. <sup>10</sup> Includes imports. <sup>11</sup> Difference between ending stocks based on Census Bureau data and preceding season's supply less distribution. <sup>12</sup> Less than 0.05.

\*The "Probable variability" reflects the SRS estimate of "root mean square error" for production. The chances are about 2 out of 3 that the final outcome would fall within the indicated range. Comparable estimates of variability are used for other items in the supply and utilization balance.

## Feed grains:

Feed grains:	Marketing year <sup>1</sup>			1976	1977					
	1974/75	1975/76	1976/77	Sept	Apr	May	June	July	Aug	Sept
Wholesale prices:										
Corn, No. 2 yellow, Chicago (\$/bu.) . . . . .	3.12	2.75	2.30	2.77	2.50	2.41	2.27	2.05	1.79	1.80
Sorghum, No. 2 yellow, Kansas City (\$/cwt.) . . . . .	5.04	4.46	3.49	4.27	3.62	3.53	3.28	3.15	2.74	2.78
Barley, feed, Minneapolis (\$/bu.) . . . . .	2.58	2.38	2.34	2.13	2.28	2.13	1.76	1.63	1.50	1.58
Barley, malting, Minneapolis (\$/bu.) <sup>2</sup> . . . . .	4.16	3.52	3.13	2.83	2.91	2.83	2.38	2.02	1.92	2.15
Exports:										
Corn (mil. bu.) . . . . .	1,149	1,711	<sup>4</sup> 1,675	111	142	140	127	117	122	*137
Feed grains (mil. short tons) <sup>3</sup> . . . . .	39.4	55.1	<sup>4</sup> 55.6	3.9	4.6	4.5	3.9	4.1	4.1	*4.6
	Marketing year <sup>1</sup>			1976			1977			
	1974/75	1975/76	1976/77	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept	Oct-Dec
Corn:										
Stocks, beginning (mil. bu.) . . . . .	483	359	398	2,823	1,861	398	4,861	3,273	2,351	879
Domestic use:										
Feed (mil. bu.) . . . . .	3,191	3,558	3,547	551	769	1,135	1,060	545	787	—
Food, seed, ind. (mil. bu.) . . . . .	450	491	515	92	162	121	128	96	170	—
Feed grains: <sup>3</sup>										
Stocks, beginning (mil short tons) . . . . .	23.7	16.8	19.1	95.6	62.8	30.0	163.1	108.7	77.0	—
Domestic use:										
Feed (mil. short tons) . . . . .	115.6	127.6	123.4	19.1	27.4	40.5	35.8	18.4	28.0	—
Food, seed, ind. (mil. short tons) . . . . .	17.7	18.8	19.8	4.0	6.1	4.4	4.8	4.2	6.4	—

<sup>1</sup> Beginning October 1 for corn and sorghum; June 1 for oats and barley. <sup>2</sup> No. 3 or better, 70% or better plump. <sup>3</sup> Aggregated data for corn, sorghum, oats and barley.

<sup>4</sup> Preliminary. <sup>5</sup> Based on Inspections for Export.

## Food grains:

	Marketing year <sup>1</sup>			1976	1977					
	1974/75	1975/76	1976/77	Sept	Apr	May	June	July	Aug	Sept
Wholesale prices:										
Wheat, No. 1 HRW, Kansas City (\$/bu.) <sup>2</sup>	4.20	3.74	2.88	3.01	2.52	2.36	2.31	2.35	2.31	2.47
Wheat, DNS, Minneapolis (\$/bu.) <sup>2</sup>	4.57	3.74	2.96	2.95	2.75	2.59	2.43	2.29	2.22	2.51
Flour, Kansas City (\$/cwt.)	10.19	9.25	7.21	7.61	6.20	5.84	5.58	5.85	5.91	6.09
Flour, Minneapolis (\$/cwt.)	11.40	10.41	8.34	8.50	7.12	6.92	6.50	6.59	6.69	7.02
Rice, S.W. La. (\$/cwt.) <sup>3</sup>	21.50	17.20	14.60	13.85	15.65	16.45	16.25	16.25	15.95	16.20
Wheat:										
Exports (mil. bu.)	1,018	1,173	950	117	79	72	82	88	97	115
Mill grind (mil. bu.)	538	572	593	52	46	47	46	44	52	—
Wheat flour production (mil. cwt.)	239	255	263	23	21	21	21	19	23	—

	Marketing year <sup>1</sup>			1976	1977					
	1974/75	1975/76	1976/77	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept	Oct-Dec
Wheat:										
Stocks, beginning (mil. bu.)	340	435	664	936	664	2,186	1,780	1,388	1,111	2,397
Domestic use:										
Food (mil. bu.)	521	559	553	89	188	144	138	83	182	—
Feed and seed (mil. bu.) <sup>4</sup>	165	176	202	29	39	42	75	46	178	—
Exports (mil. bu.)	1,019	1,173	950	154	399	220	179	152	382	—

<sup>1</sup> Beginning June 1 for wheat and August 1 for rice. <sup>2</sup> Ordinary protein. <sup>3</sup> Long-grain, milled basis. <sup>4</sup> Feed use approximated by residual.

## Vegetables:

	January-June			1976	1977					
	1975	1976	1977	Sept	Apr	May	June	July	Aug	Sept
Wholesale Prices:										
Potatoes, white, f.o.b. East (\$/cwt.)	4.36	6.92	6.83	5.41	8.10	7.16	6.86	5.06	4.07	3.39
Iceberg lettuce (\$/cwt.) <sup>1</sup>	2.54	3.08	2.78	4.01	2.06	2.85	2.68	3.12	3.06	3.68
Tomatoes (\$/cwt.) <sup>1</sup>	6.88	6.86	7.13	5.58	9.16	7.38	5.68	7.84	5.64	5.29
Wholesale Price index, 10 canned veg. (1967=100)	171	156	170	166	174	175	176	176	169	169
Grower price index, fresh commercial veg. (1967=100)	176	171	219	177	199	185	159	167	162	167

<sup>1</sup> Std. carton 24's, f.o.b. shipping point. <sup>2</sup> 2 layers, 5 x 6-6 x 6, f.o.b. Fla.-Cal.

## Fruit:

	January-June			1976	1977					
	1975	1976	1977	Sept	Apr	May	June	July	Aug	Sept
Wholesale price indexes:										
Fresh fruit (1967=100)	164.1	154.6	176.9	181.9	173.6	187.9	170.3	172.7	184.0	192.1
Dried fruit (1967=100)	216.1	209.6	357.0	218.9	357.2	357.2	357.2	353.3	353.3	356.9
Canned fruit and juice (1967=100)	175.1	170.3	186.1	178.5	187.7	188.6	190.7	190.5	191.0	192.8
Frozen fruit and juice (1967=100)	155.1	160.9	179.7	152.3	184.7	184.7	193.6	194.1	205.7	212.6
F.o.b. shipping point prices:										
Apples, Yakima Valley (\$/cwt.) <sup>1</sup>	36.62	32.85	17.44	9.54	n.a.	n.a.	n.a.	n.a.	n.a.	9.15
Pears, Yakima Valley (\$/box) <sup>2</sup>	26.42	31.92	18.16	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Oranges, U.S. avg. (\$/box)	6.45	6.27	7.18	7.35	7.36	7.08	7.89	7.68	8.77	9.10
Grapefruit, U.S. avg. (\$/box)	6.37	5.74	6.30	7.15	6.28	6.15	6.67	7.39	7.27	6.80
Stocks, beginning:										
Fresh apples (mil. lb.)	6,491.3	8,504.2	7,206.9	11.0	912.8	605.1	329.4	167.0	57.3	14.2
Fresh pears (mil. lb.)	441.7	486.9	691.3	148.8	94.2	51.8	23.5	.3	48.2	155.8
Frozen fruit (mil. lb.)	3,023.7	2,621.3	2,679.5	502.9	419.4	378.3	381.8	455.6	580.5	599.9
Frozen fruit juices (mil. lb.)	5,677.6	7,522.6	6,568.3	1,316.2	1,195.7	1,224.5	1,310.1	1,189.5	1,061.2	926.9

<sup>1</sup> Red Delicious, regular storage, Washington extra fancy, carton tray pack, 80-125's. <sup>2</sup> D'Anjou pears, regular storage, Washington wrapped, U.S. No. 1, 90-135's. n.a. not available.

## Cotton:

	Marketing year <sup>1</sup>			1976	1977					
	1974/75	1975/76	1976/77	Sept	Apr	May	June	July	Aug	Sept
U.S. price, SLM, 1-1/16 in. (cts./lb.) <sup>2</sup>	41.7	58.0	70.9	72.3	73.7	70.7	61.1	58.2	52.5	49.3
Northern Europe prices:										
Index (cts./lb.) <sup>3</sup>	52.5	65.3	81.7	83.9	85.3	81.2	71.8	67.1	62.7	60.0
U.S., SM 1-1/16 in. (cts./lb.) <sup>4</sup>	56.4	71.4	82.4	83.6	86.1	83.1	72.5	66.5	63.6	62.1
U.S. mill consumption (thou. bales)	5,833.7	7,227.7	6,672.0	645.2	523.2	524.2	636.0	407.7	508.1	—
Exports (thou. bales)	3,925.9	3,311.3	4,783.6	357.1	575.3	418.8	486.0	294.5	189.5	—

<sup>1</sup> Beginning August 1. <sup>2</sup> Average spot market. <sup>3</sup> Liverpool Outlook "A" Index; average of five lowest priced of 10 selected growths. <sup>4</sup> Memphis territory growths

# Fats and oils:

	Marketing Year <sup>1</sup>			1976	1977					
	1973/74	1974/75	1975/76	Sept	Apr	May	June	July	Aug	Sept
<b>Soybeans:</b>										
Wholesale price, No. 1 yellow, Chicago (\$/bu.)	6.12	6.33	5.25	6.59	9.74	9.50	8.18	6.29	5.66	5.21
Crushings (mil. bu.)	821.3	701.3	865	68.8	67.1	61.2	56.2	50.6	49.1	—
Processing margin (\$/bu.) <sup>2</sup>	.72	.17	.16	.19	.26	.21	.30	.14	.28	—
Exports (mil. bu.)	539.1	420.7	555	22.2	57.0	55.1	31.0	27.2	18.1	—
<b>Soybean oil:</b>										
Wholesale price, crude, Decatur (cts./lb.)	31.5	30.7	18.3	22.5	29.6	31.3	28.3	23.8	21.1	19.2
Production (mil. lb.)	8,994.7	7,376.2	9,630	766.1	747.3	682.4	631.1	566.8	553.4	—
Domestic disappearance (mil. lb.)	7,255.4	6,518.5	7,906	652.6	632.9	588.0	645.5	544.4	566.8	—
Exports (mil. lb.)	1,435.2	1,028.3	976	155.6	113.8	217.0	164.5	157.8	72.2	—
Stocks, beginning (mil. lb.)	515.5	793.5	561	1,294.6	1,486.4	1,478.9	1,355.0	1,168.4	1,032.0	939.6
<b>Soybean meal:</b>										
Wholesale price, 44% protein, Decatur (\$/ton)	146.35	130.86	147.77	179.20	275.60	258.25	225.30	162.00	140.30	143.60
Production (thou. ton)	19,674.4	16,701.5	20,754	1,644.8	1,596.0	1,454.0	1,339.5	1,211.4	1,186.3	—
Domestic disappearance (thou. ton)	13,766.3	12,501.3	15,552	1,279.6	1,189.1	1,015.2	1,116.4	957.0	1,034.5	—
Exports (thou. ton)	5,547.6	4,298.8	5,145	342.0	368.0	473.9	239.6	244.5	276.1	—
Stocks, beginning (thou. ton)	183.2	507.3	358	350.5	412.6	449.0	408.3	390.7	399.0	270.1
Margarine, wholesale price, Chicago (cts./lb.)	44.3	37.9	31.4	32.0	42.5	44.3	43.9	42.4	40.3	38.5

<sup>1</sup> Beginning September 1 for soybeans, October 1 for soy meal and oil; calendar year 1974, 1975, and 1976 for margarine. <sup>2</sup> Spot basis, Illinois shipping points.

# Sugar:

	January-June			1976	1977					
	1975	1976	1977	Sept	Apr	May	June	July	Aug	Sept
Wholesale price, N.Y. (\$/cwt.) <sup>1</sup>	27.67	15.45	11.31	9.80	12.57	11.34	10.28	10.15	11.21	10.41
U.S. deliveries (thou. short tons) <sup>1, 2</sup>	4,337	5,300	5,404	1,051	896	875	1,027	975	1,136	<sup>3</sup> 1,005

<sup>1</sup> Raw value. <sup>2</sup> Excludes Hawaii. <sup>3</sup> Preliminary.

# Tobacco:

	Annual			1976	1977					
	1975	1976	1977	Sept	Apr	May	June	July	Aug	Sept
<b>Prices at auctions:</b>										
Flue-cured (cts./lb.) <sup>1</sup>	99.8	110.6	—	118.5	—	—	—	88.7	115.6	131.7
Burley (cts./lb.) <sup>1</sup>	105.6	114.2	—	—	105.5	—	—	—	—	—
<b>Domestic consumption<sup>2</sup></b>										
Cigarettes (bil.)	264.7	288.0	<sup>3</sup> 298.6	52.3	45.1	46.9	55.1	43.3	56.2	—
Large cigars (mil.)	2,808	2,656	<sup>3</sup> 2,491	485.3	369.2	460.2	470.6	361.2	405.1	—

<sup>1</sup> Crop year July-June for flue-cured, October-September for burley. <sup>2</sup> Taxable removals. <sup>3</sup> Subject to revision.

# Coffee:

	January-June			1976	1977p					
	1975	1976	1977p	Sept	Apr	May	June	July	Aug	Sept
Composite green price, N.Y. (cts./lb.)	62.05	118.12	283.82	154.19	333.49	295.95	269.81	246.15	240.17	236.02
Imports, green bean equivalent (mil. lb.) <sup>1</sup>	1,339	1,541	1,429	143	268	184	172	115	104	n.a.
	January-June			1975	1976		1977p			
	1975	1976	1977p	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun
Roastings (mil. lb.) <sup>2</sup>	1,215	1,401	1,059	612	742	659	510	611	629	430

<sup>1</sup> Green and processed coffee. <sup>2</sup> Instant soluble and roasted coffee. p preliminary. n.a. not available.



## Transportation Data

### Rail rates, grain and fruit and vegetable shipments

	January-June			1976	1977					
	1975	1976	1977	Sept	Apr	May	June	July	Aug	Sept
Rail freight rate index <sup>1</sup>										
All products (1969=100)	160.8	183.9	198.2	187.6	198.3	198.2	198.2	198.4	198.4	198.5
Farm products (1969=100)	155.9	179.9	190.2	183.6	190.3	190.4	190.6	190.6	190.6	190.6
Food products (1969=100)	160.1	182.3	194.4	186.5	194.9	193.9	193.9	194.3	194.6	194.7
Rail carloadings of grain (thou. cars) <sup>2</sup>	22.5	24.6	23.1	26.0	22.3	20.3	23.1	25.9	24.6	23.6
Barge shipments of grain (mil. bu.) <sup>3</sup>	18.7	31.0	27.1	27.7	30.4	34.4	29.2	31.0	34.8	28.1
Fresh fruit and vegetable shipments										
Rail (thou. carlots) <sup>3, 4</sup>	4.2	3.8	2.4	2.4	2.2	2.3	3.2	1.8	1.4	1.7
Truck (thou. carlots) <sup>3, 4</sup>	15.1	17.0	15.0	11.5	14.3	18.2	19.4	15.5	13.6	12.3

<sup>1</sup> Department of Labor, Bureau of Labor Statistics. <sup>2</sup> Weekly average; from Association of American Railroads. <sup>3</sup> Weekly average; from Agricultural Marketing Service, USDA. <sup>4</sup> Preliminary data for 1977.

## General Economic Data

### Gross national product and related data

Items	First Half			1975	1976				1977		
	1975	1976	1977	IV	I	II	III	IV	I	II	IIIp
\$ Bil. (Quarterly data seasonally adjusted at annual rates)											
Gross national product <sup>1</sup>	1,474.8	1,671.6	1,840.4	1,600.7	1,651.2	1,691.9	1,727.3	1,755.4	1,810.8	1,869.9	1,911.3
Personal consumption expenditures	951.2	1,067.2	1,183.2	1,024.1	1,056.0	1,078.5	1,102.2	1,139.0	1,172.4	1,194.0	1,216.7
Durable goods	125.3	155.0	177.8	144.3	153.3	156.7	159.3	166.3	177.0	178.6	177.7
Nondurable goods	400.2	433.8	470.5	421.9	430.4	437.1	444.7	458.8	466.6	474.4	477.2
Clothing and shoes	68.2	74.2	79.8	73.0	74.2	74.3	76.9	79.9	79.3	80.4	83.0
Food and beverages	205.2	221.6	241.4	215.4	219.3	223.9	227.0	232.0	237.9	244.8	245.0
Services	425.7	478.5	535.0	457.9	472.4	484.6	498.2	513.9	528.8	541.1	561.8
Gross private domestic investment	173.2	237.8	283.4	204.7	231.3	244.4	254.3	243.4	271.8	294.9	300.6
Fixed investment	196.7	221.4	265.6	208.4	216.8	226.1	232.8	244.3	258.0	273.2	280.8
Nonresidential	148.8	157.6	179.7	150.7	155.4	159.8	164.9	167.6	177.0	182.4	187.7
Residential	48.0	63.8	85.9	57.6	61.4	66.3	67.8	76.7	81.0	90.8	93.1
Change in business inventories	-23.6	16.4	17.8	-3.6	14.5	18.3	21.5	-9	13.8	21.7	19.8
Net exports of goods and services	19.8	10.2	-9.0	20.8	10.2	10.2	7.9	3.0	-8.2	-9.7	-11.6
Exports	145.0	157.2	174.2	152.1	153.9	160.6	168.4	168.5	170.4	178.1	174.9
Imports	125.1	147.0	183.2	131.3	143.7	150.4	160.6	165.6	178.6	187.7	186.6
Government purchases of goods and services	330.6	356.2	382.8	351.0	353.6	358.9	363.0	370.0	374.9	390.6	405.6
Federal	120.7	128.0	140.0	128.1	127.6	128.5	130.2	134.2	136.3	143.6	151.5
State and local	209.8	228.2	242.8	222.9	225.9	230.4	232.7	235.8	238.5	247.0	254.1
1972 \$ Bil. (Quarterly data seasonally adjusted at annual rates)											
Gross national product	1,179.0	1,263.8	1,320.8	1,229.8	1,256.0	1,271.5	1,283.7	1,287.4	1,311.0	1,330.7	1,343.2
Personal consumption expenditures	763.6	811.4	852.2	792.8	807.2	815.5	822.7	839.6	850.4	854.1	858.0
Durable goods	107.6	126.0	137.4	120.2	125.4	126.6	127.1	130.7	136.9	137.9	136.4
Nondurable goods	305.1	317.7	329.8	311.5	316.1	319.3	321.5	329.4	329.7	330.0	329.1
Clothing and shoes	60.0	63.7	65.8	63.5	63.9	63.4	64.7	66.8	65.5	66.0	67.1
Food and beverages	151.1	157.4	165.9	153.5	156.1	158.6	160.1	163.9	165.4	166.4	165.3
Services	351.0	367.6	385.0	361.2	365.6	369.6	374.0	379.7	383.8	386.3	392.6
Gross private domestic investment	132.0	171.6	192.0	149.2	168.1	175.2	179.4	169.2	186.7	197.2	198.7
Fixed investment	150.9	160.8	180.5	153.8	158.4	163.1	165.6	171.0	177.0	184.0	185.5
Nonresidential	114.3	114.8	125.4	111.3	113.7	115.9	118.5	119.0	124.3	126.4	127.7
Residential	36.6	46.0	55.2	42.6	44.8	47.1	47.1	52.0	52.7	57.6	57.8
Change in business inventories	-19.0	10.9	11.4	-4.6	9.7	12.1	13.8	-1.8	9.7	13.2	13.2
Net exports of goods and services	22.5	16.6	10.0	22.3	16.8	16.4	17.0	13.8	10.6	9.4	9.5
Exports	88.6	94.2	97.7	92.8	93.1	95.2	97.9	96.9	96.9	98.5	96.8
Imports	66.0	77.6	87.7	70.6	76.3	78.9	80.9	83.1	86.3	89.1	87.3
Government purchases of goods and services	260.8	264.2	266.6	265.4	263.9	264.4	264.6	264.6	263.3	270.0	277.0
Federal	96.2	96.2	99.0	97.4	96.4	96.1	96.7	97.1	97.0	101.1	105.6
State and local	164.6	168.0	167.6	168.0	167.5	168.4	168.0	167.5	166.4	168.9	171.4
New plant and equipment expenditures (\$ bil.)	113.5	116.42	132.31	111.80	114.72	118.12	122.55	125.22	130.16	134.24	138.43
Implicit price deflator for GNP (1972=100)	125.08	132.26	139.32	130.17	131.47	133.06	134.56	136.35	138.13	140.52	142.29
Disposable income (\$bil.)	1,058.8	1,163.7	1,272.4	1,124.1	1,153.3	1,174.1	1,193.3	1,222.6	1,252.4	1,292.5	1,320.5
Disposable income (1972 \$bil.)	850.0	884.6	916.4	870.2	881.5	887.8	890.7	901.5	908.4	924.5	931.2
Per capita disposable income (\$)	4,799	5,418	5,880	5,247	5,374	5,462	5,540	5,665	5,793	5,967	6,083
Per capita disposable income (1972 \$)	3,988	4,118	4,235	4,062	4,107	4,130	4,135	4,177	4,202	4,268	4,290
U.S. population, tot. incl. military abroad (mil.)	213.1	214.8	216.4	214.3	214.6	214.9	215.4	215.8	216.2	216.6	217.1
Civilian population (mil.)	210.9	212.6	214.2	212.1	212.5	212.8	213.2	213.7	214.1	214.5	214.9

See footnotes at end of next table.

## Selected monthly indicators

Items	January-June average			1976	1977					
	1975	1976	1977	Sept	Apr	May	June	July	Aug	Sept
Monthly data seasonally adjusted except as noted										
Industrial production, total <sup>2</sup> (1967=100)	113.7	128.3	135.3	130.6	136.1	137.0	137.8	138.8	138.2p	138.8p
Manufacturing (1967=100)	111.8	128.0	135.0	130.5	135.8	137.1	137.8	138.5	138.6p	138.9p
Durable (1967=100)	106.2	119.8	127.0	122.4	128.0	129.3	130.5	131.5	131.2p	131.9p
Nondurable (1967=100)	119.9	139.9	146.6	142.3	147.0	148.5	148.4	148.6	149.1p	149.2p
Leading economic indicators <sup>1, 3</sup> (1967=100)	109.4	123.2	129.1	125.3	130.8	130.5	130.1	130.2	132.0	132.4p
Employment <sup>4</sup> (Mil. persons)	84.4	87.0	89.7	87.8	90.0	90.4	90.7	90.6	90.8	91.1
Unemployment rate <sup>4</sup> (%)	8.4	7.6	7.2	7.8	7.0	6.9	7.1	6.9	7.1	6.9
Personal income <sup>1</sup> (\$bil. annual rate)	1,219.9	1,352.4	1,497.0	1,401.8	1,510.1	1,517.3	1,524.3	1,539.2	1,546.9	1,558.8p
Hourly earnings in manufacturing <sup>4, 5</sup> (\$)	4.72	5.08	5.51	5.31	5.52	5.56	5.60	5.65	5.65p	5.73p
Money stock (daily average) <sup>2</sup> (\$bil.)	285.2	299.8	317.7	306.9	320.5	320.7	321.9	326.8	328.3	330.4p
Time and savings deposits (daily average) <sup>2</sup> (\$bil.)	429.7	459.0	504.7	472.5	505.7	509.2	514.8	519.5	522.5	525.8p
Three-month Treasury bill rate <sup>1</sup> (%)	5.637	5.061	4.726	5.075	4.540	4.942	5.004	5.146	5.500	5.770
Aaa corporate bond yield (Moody's) <sup>6, 7</sup> (%)	8.79	8.54	8.02	8.38	8.04	8.05	7.95	7.94	7.98	7.92
Interest rate on new home mortgages <sup>7</sup> (%)	9.06	8.94	8.98	9.08	8.94	8.96	8.98	9.00	9.02	9.04p
Housing starts, private (including farm) (thou.)	1,017	1,412	1,832	1,768	1,880	1,937	1,897	2,083	2,034p	2,040p
Auto sales at retail, total <sup>1</sup> (mil.)	8.2	10.2	11.4	10.4	11.8	11.5	11.7	10.8	11.5p	—
Business sales, total <sup>1</sup> (\$bil.)	165.8	189.2	211.0	193.9	213.6	213.8	214.1	212.9p	215.7p	—
Business inventories, total <sup>1</sup> (\$bil.)	276.1	282.5	308.6	296.5	309.8	313.1	315.5	317.2p	319.8p	—
Sales of all retail stores (\$bil.) <sup>8</sup>	47.1	53.0	58.6	54.1	59.5	59.2	58.4	58.9	59.7p	59.0p
Durable goods stores (\$bil.)	14.3	17.5	20.0	17.5	20.3	20.1	19.8	19.7	20.7p	20.3p
Nondurable goods stores (\$bil.)	32.7	35.5	38.6	36.6	39.1	39.1	38.5	39.2	39.1p	38.7p
Food stores (\$bil.)	10.8	11.5	12.4	11.8	12.5	12.7	12.6	12.7	12.5p	12.5p
Eating and drinking places (\$bil.)	3.9	4.3	4.7	4.4	4.8	4.8	4.8	4.8	4.9p	4.8p
Apparel and accessory stores (\$bil.)	2.2	2.3	2.4	2.4	2.4	2.4	2.4	2.4	2.5p	2.5p

<sup>1</sup> Department of Commerce. <sup>2</sup> Board of Governors of the Federal Reserve System. <sup>3</sup> Composite Index of 12 leading indicators. <sup>4</sup> Department of Labor, Bureau of Labor Statistics. <sup>5</sup> Not seasonally adjusted. <sup>6</sup> Moody's Investors Service. <sup>7</sup> Federal Home Loan Bank Board. <sup>8</sup> Adjusted for seasonal variations, holidays, and trading day differences. p. Preliminary.

## U.S. Agricultural Trade

### Prices of principal U.S. agricultural trade products

Items	January-June			1976	1977					
	1975	1976	1977	Sept	Apr	May	June	July	Aug	Sept
<b>Export commodities:</b>										
Wheat, f.o.b. Gulf ports (\$/bu.)	3.93	4.02	2.83	3.31	2.78	2.65	2.56	2.66	2.63	2.78
Corn, f.o.b. Gulf ports (\$/bu.)	3.12	2.96	2.73	3.04	2.73	2.64	2.45	2.25	2.03	2.07
Grain sorghum, f.o.b. Gulf ports (\$/bu.)	2.92	2.79	2.47	2.80	2.44	2.38	2.24	2.06	1.95	2.01
Soybeans, f.o.b. Gulf ports (\$/bu.)	5.93	5.30	8.70	6.96	10.03	9.84	8.50	6.80	6.30	5.36
Soybean oil, Decatur (cts./lb.)	27.90	16.46	26.31	22.46	29.60	31.27	28.34	23.77	21.13	19.17
Soybean meal, Decatur (\$/ton)	120.93	142.66	233.89	179.20	275.60	258.25	225.30	162.00	140.30	143.60
Cotton, 10 market avg. spot (cts./lb.)	39.21	60.27	70.04	72.26	73.67	70.65	61.08	58.18	52.54	49.30
Tobacco, avg. price of auction (cts./lb.)	105.70	100.63	114.45	112.70	110.98	111.09	111.09	96.72	112.36	123.51
Rice, f.o.b. mill, Houston (\$/cwt.)	22.32	17.33	14.95	14.50	15.45	16.25	16.25	16.25	16.05	16.50
Inedible tallow, Chicago (cts./lb.)	11.13	13.20	14.81	13.12	15.59	16.75	14.69	12.88	11.63	11.41
<b>Import commodities:</b>										
Coffee, N.Y. spot (\$/lb.)	71	1.23	2.82	1.51	3.27	3.05	2.80	2.18	2.02	1.97
Sugar, N.Y. spot (cts./lb.)	27.67	15.45	11.31	9.80	12.57	11.34	10.28	10.15	11.21	10.41
Cow meat, f.o.b. port of entry (cts./lb.)	56.08	75.27	70.67	70.83	70.33	67.95	66.28	64.31	63.01	64.18
Rubber, N.Y. spot (cts./lb.)	29.40	38.09	40.58	40.07	40.87	40.17	39.04	39.38	40.70	44.40
Cocoa beans, N.Y. spot (\$/lb.)	.75	.86	1.92	1.29	1.89	1.96	n.a.	n.a.	2.41	2.50
Bananas, f.o.b. port of entry (\$/40-lb. box)	4.62	4.79	5.29	4.68	5.44	5.79	5.17	4.24	4.41	4.58
Canned Danish hams, ex. warehouse N.Y. (\$/lb.)	1.60	1.76	1.76	1.74	1.76	1.76	1.83	1.90	1.92	1.92
<b>Quantity Indices</b>										
Export (1967=100)	149	172	176	160	183	179	159	158	150	n.a.
Import (1967=100)	116	142	146	138	155	139	143	128	128	n.a.
<b>Unit Value Indices</b>										
Export (1967=100)	229	204	223	211	228	232	222	208	194	n.a.
Import (1967=100)	232	181	248	238	264	263	263	230	228	n.a.

n.a. not available.

## U.S. agricultural exports

Selected commodities	October-August				August			
	1975/76	1976/77	1975/76	1976/77	1976	1977	1976	1977
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals, live, excl. poultry	—	—	122,096	89,512	—	—	13,088	11,790
Meat and preps., excl. poultry (lb.)	751,122	833,964	542,092	550,120	63,925	71,890	43,735	50,566
Dairy products, excl. eggs	—	—	122,118	154,219	—	—	8,228	16,091
Poultry and poultry products	—	—	212,745	274,977	—	—	27,825	28,226
Grains and preparations	—	—	10,624,296	8,505,237	—	—	981,904	681,307
Wheat and wheat flour (bu.)	1,018,279	807,730	4,308,962	2,683,160	118,268	96,861	471,027	269,755
Rice, milled (lb.)	3,985,862	4,446,788	562,245	619,206	397,018	507,721	49,603	67,199
Feed grains (metric ton)	46,266	46,483	5,542,670	4,984,022	3,733	3,708	444,213	330,442
Other	—	—	210,419	218,849	—	—	17,061	13,911
Fruits, nuts, and preparations	—	—	846,349	916,173	—	—	80,195	85,336
Vegetables and preparations	—	—	552,273	655,484	—	—	34,897	33,848
Sugar and preps., incl. honey (lb.)	426,971	423,374	79,451	62,267	23,688	27,685	5,249	4,598
Coffee, tea, cocoa, spices, etc. (lb.)	79,533	89,351	82,180	133,625	6,150	16,269	6,910	36,414
Feeds and fodders	—	—	1,120,877	1,478,648	—	—	111,700	105,042
Protein meal (short ton)	4,999	4,455	777,549	908,738	449	289	76,845	58,337
Beverages, excl. distilled alcoholic (gal.)	6,580	12,908	13,470	24,885	613	1,516	1,154	2,830
Tobacco, unmanufactured (lb.)	552,656	584,858	849,155	964,966	35,771	48,023	56,895	79,053
Hides, skins, and furskins	—	—	575,660	741,727	—	—	48,145	50,110
Oilseeds	—	—	3,109,549	4,489,683	—	—	159,910	143,723
Soybeans (bu.)	530,821	541,884	2,886,787	4,192,962	24,304	18,089	150,241	133,369
Wool, unmanufactured (lb. grease basis)	8,510	6,143	21,564	20,879	184	156	622	650
Cotton, unmanufactured (running bale)	3,039	4,316	802,846	1,470,460	294	195	86,811	62,224
Fats, oils, and greases (lb.)	2,106,864	2,772,994	371,690	519,658	188,767	237,966	33,090	47,856
Vegetable oils and waxes (lb.)	1,913,285	2,509,277	500,764	708,011	103,085	182,550	26,931	58,435
Rubber and allied gums (lb.)	38,988	41,786	20,139	22,547	2,366	4,160	1,283	2,221
Other	—	—	394,205	496,467	—	—	31,256	41,303
Total	—	—	20,963,519	22,279,545	—	—	1,759,828	1,541,623

## U.S. agricultural exports by regions

Region <sup>1</sup>	October-August		August		Change from year-earlier	
	1975/76	1976/77	1976	1977	Oct-Aug 1976/77	August 1977
	\$ Mil.				Pct.	
Western Europe	6,735	8,180	526	430	+21	-18
Enlarged European Community	5,371	6,631	421	344	+23	-18
Other Western Europe	1,363	1,549	106	86	+14	-19
Eastern Europe and USSR	2,609	1,639	173	49	-37	-72
USSR	1,807	1,041	73	19	-42	-74
Eastern Europe	802	598	100	30	-25	-70
Asia	6,787	7,481	636	584	+10	-8
West Asia	755	995	71	84	+32	+18
South Asia	1,004	667	92	54	-34	-41
Southeast Asia, ex. Japan and PRC	1,855	2,254	191	199	+22	+4
Japan	3,170	3,564	282	247	+12	-12
Peoples Republic of China	2	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	—	—
Latin America	1,968	1,906	169	207	-3 <sup>3</sup>	+22
Canada, excluding transshipments	1,297	1,463	119	117	+13	-2
Canadian transshipments	434	293	26	47	-32	+81
Africa	1,031	1,191	102	95	+16	-7
North Africa	634	696	50	55	+10	+10
Other Africa	397	495	52	40	+25	-23
Oceania	103	127	8	12	+23	+50
Total <sup>3</sup>	20,964	22,280	1,760	1,542	+6	-12

<sup>1</sup> Not adjusted for transshipments. <sup>2</sup> Less than \$500,000. <sup>3</sup> Totals may not add due to rounding.



## U.S. agricultural imports

Selected commodities	October-August				August			
	1975/76	1976/77	1975/76	1976/77	1976	1977	1976	1977
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals live, excl. poultry	—	—	193,648	212,451	—	—	10,323	12,134
Meat and preps., excl. poultry (lb.)	1,704,435	1,557,973	1,309,290	1,178,004	150,822	158,388	111,707	111,682
Beef and veal (lb.)	1,339,509	1,225,007	811,020	744,195	124,323	131,506	78,290	75,978
Pork (lb.)	305,308	288,776	453,214	396,693	20,764	23,549	28,712	32,633
Dairy products, excl. eggs	—	—	234,494	275,221	—	—	21,363	25,449
Poultry and poultry products	—	—	33,775	74,088	—	—	4,918	9,264
Grains and preparations	—	—	160,839	155,978	—	—	14,990	14,575
Wheat and flour (bu.)	838	1,313	3,142	3,397	0	2	0	6
Rice (lb.)	2,908	3,489	773	662	181	141	50	42
Feed grains (metric ton)	288	255	47,832	35,291	29	26	4,689	3,369
Other	—	—	109,092	116,628	—	—	10,251	11,158
Fruits, nuts, and preparations	—	—	648,628	830,311	—	—	55,989	80,613
Bananas (lb.)	4,163,518	4,277,149	239,136	286,583	385,396	408,511	22,319	29,144
Vegetables and preparations	—	—	409,575	578,073	—	—	30,342	36,618
Sugar and preps., incl. honey	—	—	1,310,803	989,269	—	—	140,314	100,518
Sugar, cane or beet (short ton)	3,746	4,422	1,115,301	815,052	462	482	120,568	83,120
Coffee, tea, cocoa, spices, etc. (lb.)	3,769,506	3,275,178	2,982,535	5,278,499	323,070	174,083	330,857	348,048
Coffee, green (lb.)	2,510,852	2,076,088	2,082,202	3,797,933	216,487	91,936	249,126	215,061
Cocoa beans (lb.)	565,654	411,853	351,861	449,942	46,716	24,187	33,859	37,929
Feeds and fodders	—	—	50,294	63,936	—	—	6,103	6,048
Protein meal (short ton)	35	26	4,330	4,852	9	4	1,211	1,055
Beverages, excl. distilled alcoholic (gal.)	114,849	136,960	392,806	487,091	12,434	14,665	39,738	53,807
Tobacco, unmanufactured (lb.)	297,314	290,856	252,215	299,963	31,146	32,724	29,150	37,926
Hides, skins, and furskins	—	—	186,308	194,768	—	—	14,527	17,756
Oilseeds	—	—	61,896	84,894	—	—	6,912	5,335
Soybeans (lb.)	12	149	5	17	0	0	0	0
Wool, unmanufactured (lb. grease basis)	76,039	73,539	76,286	87,644	6,226	6,007	7,055	7,147
Cotton, unmanufactured (running bale)	99	106	23,168	16,717	4	4	550	915
Fats, oils, and greases (lb.)	23,545	19,844	5,346	4,508	1,899	2,107	391	649
Vegetable oils and waxes (lb.)	2,403,073	2,057,989	424,444	503,904	201,485	155,940	33,946	47,169
Rubber and allied gums (lb.)	1,495,143	1,560,686	436,941	564,224	90,508	110,837	33,239	40,477
Other	—	—	407,903	486,673	—	—	39,183	48,940
Total	—	—	9,601,194	12,366,216	—	—	931,597	1,005,070

<sup>1</sup> Less than 500,000.

## Trade balance

Items	October-August		August	
	1975/76	1976/77	1976	1977
	\$ Mil.			
Agricultural exports <sup>1</sup>	20,962	22,280	1,760	1,542
Nonagricultural exports <sup>2</sup>	82,663	87,739	7,064	7,337
Total exports <sup>2</sup>	103,625	110,019	8,824	8,879
Agricultural imports <sup>3</sup>	9,601	12,367	932	1,006
Nonagricultural imports <sup>4</sup>	94,419	118,487	9,612	11,709
Total imports <sup>4</sup>	104,020	130,854	10,544	12,715
Agricultural trade balance	11,361	9,913	828	536
Nonagricultural trade balance	-11,756	-30,748	-2,548	-4,372
Total trade balance	-395	-20,835	-1,720	-3,836

<sup>1</sup> Domestic exports (F.A.S. value). <sup>2</sup> Domestic and foreign exports excluding Department of Defense shipments, (F.A.S. value). <sup>3</sup> Imports for consumption (customs value). <sup>4</sup> General imports, (customs value).

# World Agricultural Production

## World supply and utilization of major crops

Commodity	1971/72	1972/73	1973/74	1974/75	1975/76 <sup>1</sup>	1976/77 <sup>2</sup>	1977/78 <sup>3</sup>
	Mil. units						
<b>Wheat:</b>							
Area (hectare) . . . . .	212.8	210.8	216.5	220.5	225.8	232.0	227.6
Production (metric ton) . . . .	348.2	343.3	371.6	356.4	349.3	412.4	385.9
Exports (metric ton) . . . . .	55.6	70.8	72.6	68.0	73.1	63.6	74.9
Consumption (metric ton) <sup>5</sup> . . .	341.4	361.2	363.5	362.7	352.2	376.7	394.0
Ending stocks (metric ton) <sup>4</sup> . .	78.8	61.0	69.1	62.6	59.7	96.4	88.3
<b>Coarse grains:</b>							
Area (hectare) . . . . .	340.9	338.0	351.3	349.2	354.4	357.3	359.9
Production (metric ton) . . . .	621.9	602.7	660.9	620.4	634.4	690.4	699.1
Exports (metric ton) . . . . .	55.5	69.0	80.9	69.5	88.7	85.2	80.1
Consumption (metric ton) <sup>5</sup> . . .	608.6	620.5	665.3	624.2	634.1	671.1	681.9
Ending stocks (metric ton) <sup>4</sup> . .	78.4	60.6	56.2	52.1	52.4	71.7	88.9
<b>Rice, rough:</b>							
Area (hectare) . . . . .	131.6	130.9	135.1	137.2	142.1	141.1	141.9
Production (metric ton) . . . .	212.0	204.7	219.0	222.9	238.6	229.8	236.5
Exports (metric ton) . . . . .	8.1	8.1	7.7	7.6	8.0	8.4	8.3
Consumption (metric ton) <sup>5</sup> . . .	214.8	209.7	216.7	223.4	232.6	232.2	235.4
Ending stocks (metric ton) <sup>4</sup> . .	15.8	10.2	12.5	12.0	18.0	15.6	15.7
<b>Total grains:</b>							
Area (hectare) . . . . .	685.3	679.7	702.9	706.9	722.3	730.4	729.4
Production (metric ton) . . . .	1,182.1	1,150.7	1,251.5	1,199.7	1,222.3	1,332.6	1,321.5
Exports (metric ton) . . . . .	119.2	147.9	161.2	145.1	169.8	157.2	163.3
Consumption (metric ton) <sup>5</sup> . . .	1,164.8	1,191.4	1,245.5	1,210.3	1,218.9	1,279.0	1,311.3
Ending stocks (metric ton) <sup>4</sup> . .	173.0	131.8	137.8	126.7	130.1	183.7	193.9
<b>Oilseeds and meals:<sup>5, 6</sup></b>							
Production (metric ton) . . . .	55.9	57.6	68.3	64.1	72.9	66.7	78.0
Trade (metric ton) . . . . .	25.6	25.6	27.3	27.2	33.3	32.4	35.9
<b>Vegetable fats and oils:<sup>6</sup></b>							
Production (metric ton) . . . .	27.8	27.3	30.8	30.4	33.3	31.4	35.8
Trade (metric ton) . . . . .	9.1	9.2	9.6	9.9	11.8	12.1	13.1
<b>Cotton:</b>							
Area (hectare) . . . . .	33.2	33.6	32.8	33.4	30.0	31.0	32.6
Production (bale) . . . . .	59.8	63.0	63.2	64.3	54.3	58.0	63.9
Exports (bale) . . . . .	18.6	21.0	19.6	17.3	18.8	18.1	18.8
Consumption (bale) . . . . .	58.3	60.0	62.0	58.6	62.3	61.2	61.5
Ending stocks (bale) . . . . .	21.1	23.7	25.1	30.2	22.4	18.5	21.0

<sup>1</sup> Estimate. <sup>2</sup> Forecast. <sup>3</sup> Where stock data not available (excluding USSR), consumption includes stock changes. <sup>4</sup> Stocks data are based on differing marketing years and do not represent levels at a given date. Data not available for all countries; includes estimated change in USSR grain stocks but not absolute level. <sup>5</sup> Soybean meal equivalent. <sup>6</sup> Calendar year data. 1972 data corresponds with 1971/72, 1973 data with 1972/73, etc..

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